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ABSTRACT

Interest in encouraging linkages between economic development efforts of various federal agencies with the job development and training activities of the Comprehensive Employment and Training Act (CETA) led, in 1979, to the development of an interagency effort, the Employment Initiatives Program, and the signing of six interagency agreements with the Department of Labor. Current legislation permits but does not require such linkages. This paper reviews the statutory authorizations for linking economic development activities with employment and training programs under the CETA Amendments of 1978, together with the federal regulations implementing the Act issued in the Federal Register of May 20, 1980. It also reviews the authorizations for economic development contained in the Economic Opportunity Act of 1964, the United States Housing and Economic Development Act of 1976, the United States Housing Act of 1937, the Small Business Investment Act of 1958, the Urban Mass Transportation Act of 1976, the Consolidated Farm and Rural Development Act of 1972, and the Revenue Act of 1978. Some examples of local collaboration between CETA and other federal programs are included to illustrate practical applications, while a review of the bilateral ageements between the Department and other federal agencies is also included. The documents spelling out the agreements are contained in the report's appendixes. (KC)

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"Linking Employment and Training Programs With Economic Development"

A Review of the 1978 Comprehensive Employment and Training Act and Administrative Regulations and Other Relevant Federal Legislation and Programs

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Washington, D.C.

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CONTENTS

	PAGE
I. INTRODUCTION	1
II. CETA AND ECONOMIC DEVELOPMENT	4
A. Definition of Ecomomic Development	6
B. Relevant Provisions of CETA	8
1. Purpose	8
2. Administrative Provisions	8
3. On-the-Job Training (OJT)	15
4. Public Service Employment (PSE)	16
5. Upgrading and Retraining	18
6. Entrepreneurial Activities	20
C. Limitations and Restrictions:	
1. On Types of Activities	22
2. On Terms of Participation	23
3. On Wages and Supplementation	23
D. The Pending CETA Budget	25
III. OTHER RELEVANT FEDERAL LEGISLATION	27
A. Public Works and Economic Development Act of 1965	28
B. Housing and Community Development Act of 1974 As Amended	34
1. Urban Development Action Grants	34
2. Community Development Block Grants	35
3. The Community Reinvestment Act of 1978	36
C. Economic Opportunity Act of 1964	38
D. Urban Mass Transportation Assistance Act of 1964	42
E. Small Business Investment Act of 1958	45
F. Consolidated Farm and Rural Development	48
G. The Revenue Act of 1978	51

CONTENTS; cont.

		PAGE
IV.	PROGRAM MODELS	53
V.	INTERAGENCY AGREEMENTS	56

APPENDICES:
57p.

A. Federal Interagency Agreements Under the Employment Initiatives

B. Coordinated Rural Economic Development Effort (CREDE)

C. Pending Legislation Relating to Economic Development

D. Authorizing Committees of the Congress, Federal Agencies, and Resources Related to Economic Development

E. Illinois Statutes Volume 2, Chapter 48 1977

I. INTRODUCTION

I. INTRODUCTION

Presidential interest in encouraging linkages between economic development efforts of various federal agencies with the job development and training activities of the Comprehensive Employment and Training Act (CETA) led, in 1979, to the development of an interagency effort, the Employment Initiatives Program, and to the signing of six interagency agreements with the Department of Labor (DOL). The participating agencies in the Employment Initiatives project are the Departments of Labor, Commerce (Economic Development Administration), Housing and Urban Development, Transportation, Agriculture, the Community Services Administration, and the Small Business Administration. Each of these departments and agencies is a member of the Interagency Coordinating Committee (IACC) operating under the auspices of the White House. All of the member agencies have agreed, through contracts with the Department of Labor, that a percentage of local jobs generated under programs which they fund will be reserved for CETA participants. (See Appendix A.)

Current legislation permits but does not require such linkages. These agreements and other federal decisions to allow agencies investing in areas to modify plans to include an employment component are encouraging linkages, and an experimental program, the Targeted Jobs Demonstration Program (TJDP), is being conducted in fourteen cities to determine the feasibility of interagency collaboration at the local level.

The basic incentive for fostering this coordination of economic development activities is the authorization contained in Section 318 of the CETA Amendments of 1978:

> "EMPLOYMENT AND TRAINING ACTIVITIES TO STIMULATE LOCAL PRIVATE ECONOMIC DEVELOPMENT
>
> "SEC. 318. (a) The Secretary is authorized to carry out a special experimental program to link the employment and training activities of prime sponsors to a workable strategy for stimulating local private economic development and replacement of declining industries. Any determination concerning the nature of skills to be provided in training and retraining programs shall be made after consultation with agencies charged with fostering the growth or introduction of industries in a given labor market. This experiment may include use of vouchers as authorized in section 317.
>
> "(b) The Secretary shall take whatever action is necessary to assure that any experimental program conducted under this section is coordinated with Federal, State, regional, and local agencies responsible for administering and receiving funds from the Economic Development Administration pursuant to sections 201 and 202 of the Public Works and Economic Development Act of 1965 and from the Small Business Investment Act of 1958. Activities under any such program shall be consistent with the overall economic development plan for the area required by section 202(b)(10) of the Public Works and Economic Development Act of 1965.

This paper reviews the statutory authorizations for linking economic development activities with employment and training programs under the CETA Amendments of 1978, together with the Federal regulations implementing the Act issued in the Federal Register of May 20, 1980 (Part IX, Vol. 45, No. 99) 20 CFR Parts 675, 676, 677, 678, 679, 680. It also reviews the authorizations for economic development contained in the Economic Opportunity Act of 1964, the Local Public Works and Economic Development Act of 1976, the U.S. Housing Act of 1937, the Small Business Investment Act of 1958, the Urban Mass Transportation Act of 1976, the Consolidated Farm and Rural Development Act of 1972, and the Revenue Act of 1978; and also reviews the bilateral agreements between the Department of Labor and other Federal agencies. Some examples of local collaboration between CETA and other federal programs are included to illustrate practical applications.

II. CETA AND COMMUNITY ECONOMIC DEVELOPMENT

II. CETA AND COMMUNITY ECONOMIC DEVELOPMENT

The Comprehensive Employment and Training Act (CETA) of 1973, as amended in 1978 (Public Law 95-524), emphasizes the coordination and integration of CETA with local economic development activities. It also contains a new Title VII, the Private Sector Initiative Program (PSIP), to increase the involvement of the business community, including small business and minority business enterprises, in employment and training activities under the Act, and to increase private sector employment opportunities for unemployed persons who are economically disadvantaged.

A unit of general or local government with population of 100,000 or more is eligible to be a CETA prime sponsor, and, once certified by the Department of Labor (DOL), may receive funds for various employment and training activities that could enhance substantially a local economic development strategy. Congress intended that program activities throughout the Act be linked with other programs in the public and private sectors to achieve the maximum impact upon the economic well-being of a community. But perhaps the greatest potential for linking CETA activities lies in the new Title VII Private Sector Initiative Program. CETA prime sponsors are required to establish Private Industry Councils (PICs) whose membership has a majority representation from the business community. The PICs are encouraged specifically under the Act to augment private sector related activities with new and planned publicly supported projects such as public works, economic development and community development programs, transportation revitalization, alternative energy technology development and utilization projects, energy conservation projects, and rehabilitation of low income housing as part of a community revitalization or stabilization effort, which would provide work through private sector contractors.

The CETA legislation lays the groundwork throughout the statute for linkages and coordination with local economic development activities.

A. DEFINITION OF ECONOMIC DEVELOPMENT

The CETA legislation and the DOL regulations do not contain a specific definition of economic development, but refer to the definition contained in the Public Works and Economic Development Act of 1965 and several other pieces of legislation. The relevant citations from these Acts are included below in this document.

The Department of Labor did issue a field memorandum to CETA prime sponsors on April 29, 1980, clarifying the meaning of economic development for CETA activities. The memorandum defines economic development as "job creation or retention" and as the "organized, planned, cooperative efforts between the public and private sectors designed to improve the economic conditions of a locality".

The field memorandum states that, for CETA purposes, economic development is measured in terms of:

a) Expansion of existing businesses or development of new businesses, thus creating new jobs in which CETA-eligible persons can be employed.

b) Retention of existing business, thus preventing a loss of jobs for the local economy.

The Department of Labor suggests that local prime sponsors utilize some of their CETA Title II (comprehensive employment and training services), Title VI (public service employment programs), and Title VII (private sector initiative program) funding for local and federally assisted economic development activities. DOL clearly states that it is the responsibility of the local prime sponsors to contact representatives of Federal, State, and local agen-

cies to gain information about local economic development activities in their jurisdictions and to develop linkages with those agencies and their activities.

The DOL memorandum states that Private Industry Councils (PICs) established under Title VII are to take lead roles in prime sponsors' economic development activities. The PICs activities under the law could include:

- representing the needs of industry, both for attracting an industry to a jurisdiction or keeping an industry in the jurisdiction;
- serving as a way for organized labor to have a role in economic development efforts; and
- identifying the needs and skills of the local labor force and making suggestions about what type of training could be provided to qualify CETA applicants for potential jobs.

DOL describes four conceptual models for linkages between economic development and CETA programs. These models are characterized by the functions that the local prime sponsor could undertake as a part of an economic development activity:

- For income generation, CETA could be used to support projects such as cooperatives to produce marketable goods or services;
- For infrastructure, CETA could be used to assist in developing basic facilities, services, or installations needed for an economic development project, in providing a CETA work force to construct an industrial park, or to refurbish buildings, and providing personnel for the growth and functioning of the project or its organizations;
- For promotion, the availability of CETA program support may be used as an incentive to induce business to remain or to locate in the prime sponsor's jurisdiction;
- For an economic development intermediary, the CETA prime sponsor or its PIC could act as an intermediary among various organizations involved in researching, planning, coordinating and promoting economic development activities.

Keeping in mind what DOL has described as economic development for CETA activities, the following sections cite the legislative provisions under Public Law 95-524 (CETA) and the administrative regulations which encourage linkages or place limitations on that capacity.

B. RELEVANT PROVISIONS OF CETA

1. Purpose

Community and economic development have been specifically stated as a purpose of the CETA Amendments of 1978. In Section 2, the "Statement of Purpose", Congress emphasizes that job training and employment opportunities provided under CETA must result in an increase in the earned income of the participants, lead to maximum employment opportunities, and enhance self-sufficiency. In addition to providing for job training and employment, the Act states:

> It is further the purpose of this Act to provide for the maximum feasible coordination of plans, programs, and activities under this Act with economic development, community development, and related activities, such as vocational education, vocational rehabilitation, public assistance, self-employment training, and social service programs.

2. Administrative Provisions

The administrative provisions under Title I outline the specific components of the "Comprehensive Employment and Training Plan," developed by the prime sponsor, as well as who should be involved in the development of the plan.

Sec. 103(a) requires the CETA prime sponsor to describe his plans for involvement with local economic development and the private sector. The plan must:

> (20) include a description of plans and activities to coordinate, strengthen, and expand employment and training activities under this Act with economic development activities in the private sector;

The placement of CETA workers in private sector jobs or training programs should provide a catalyst for the preparation and permanent employment of the participants in the private sector, while also meeting a community development need. The regulations (676.6, p.33863) further state that:

> (b) Prime sponsors are specifically encouraged to join or initiate public and private approaches to the coordinated planning and operations of economic, community and employment development activities to accomplish such objectives as reducing outmigration from an area and encouraging private sector investment in order to enhance existing employment opportunities.

The above regulations also apply to Sec. 105(b) (5) relating to the "Governor's Coordination and Special Service Plan". Governors' activities under this section include:

> assuring promotion of prime sponsor planning that takes into account conditions prevailing in labor market areas covering more than one prime sponsor area, as well as related activities such as community development, vocational education, vocational rehabilitation, and social services.

The statute further states (Sec. 105(b) (6)) that Governors' coordination plans shall include:

> exchanging of information between states and prime sponsors with respect to state, interstate, and regional planning for economic development, human resource development and other subjects relevant to employment and training planning.

Another way in which Governors' funds are to be used in linkages to promote economic development is through funds allocated to them to provide financial assistance to State and vocational education boards. The State boards then distribute the money locally in order to provide vocational education services in areas served by prime sponsors. Fifteen percent of the monies appropriated

under the "Supplemental Vocational Education Assistance" provision in CETA (sec. 204) are set aside to be used for, but not limited to, coordinating CETA services and programs with those of vocational education authorized under the Vocational Education Act of 1963. The intent of the legislation is to enhance economic growth and development through linkages among vocational education, education institutions, CETA, and the private sector. It should be noted that the regulation holds prime sponsors responsible for developing non-financial agreements in conjunction with the State Vocational Education Board (677.35 p.33896).

The plan must consist of a statistical and narrative plan for the expenditure of funds allocated under Sec. 204, such as "how linkages between vocational education, education and training programs under the Act and private sector employers will be developed, and how funds and such linkages will be used to enhance development in the State".

Recognizing that such coordination and objectives may be new to service providers (CETA workers, teachers, etc.), and that curriculum revisions and development may be necessary, technical assistance is also available under CETA.

The November 1979 Status Report from the U.S. Conference of Mayors determined that many of the turf battles and philosophical differences which in the past had barred CETA/vocational efforts are beginning to dissolve themselves. The Conference of Mayors reported that the high percentage of prime sponsors reporting successful involvement of vocational education representatives in their planning processes cited good personal relationships, the dedication of vocational educators to the planning councils, and the acknowledgement of common goals of CETA and vocational education as reasons for success.

Community-based organizations (CBOs) are eligible to undertake development activities, and Congress has given them special consideration in such ventures. The definition in Sec. 3(4) of CETA of a community-based organization, eligible to sponsor such projects, includes specifically neighborhood groups, Community Action Programs (CAPs), Community Development Corporations (CDCs), youth agencies, union-related organizations, and employer-related non-profit organizations.

> the term 'community-based organizations' means private nonprofit organizations which are representative of communities or significant segments of communities and which provide employment and training services (for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, Mainstream, the National Puerto Rican Forum, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973), agencies serving youth, union-related organizations, and employer-related nonprofit organizations).

The Act further states that prime sponsors, in preparing their long-term and annual plans, must involve CBOs and other groups in the development and implementation of CETA programs (Sec. 103(a)). The plan must include a detailed description of:

> (3)(A) the methods and institutional arrangements which will be used to involve community-based organizations, educational agencies, and other deliverers of services in the development and implementation of the programs assisted under this Act;...

Before submitting plans to the Department of Labor, prime sponsors must give written notice to CBOs and give copies to local governments and labor organizations for review and comment (Sec. 104(a)):

> Each prime sponsor shall, at least 45 days before submitting its master or annual plan to the Secretary - (1) transmit such plan, in order to allow at least 30 days of review and comment to...
> (2)(B) appropriate community-based organizations of demonstrated effectiveness in serving significant segments of the eligible population;...

Under the definition of "project applicants" (Sec.3(20)), the statute includes local educational agencies, institutions of higher education, community development corporations. Such groups can apply to their local CETA prime sponsor for monies to carry out a public service project in conjunction with the prime sponsor, other listed organizations, State and local agencies, or smaller units of general local government.

To assure that a prime sponsor's planning is responsive to community economic development needs and an exchange of information is pursued, prime sponsors should serve as representatives on the district boards responsible for the overall economic development plans, as authorized under the Public Works and Economic Development Act of 1965 as amended (Public Law 89-136, title IV, Part B -- Economic Development Districts). Linking employment and training with such development planning would facilitate carrying out the purposes not only of CETA, but also of the Public Works and Economic Development Act which is:

> to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

It is important to note that an amendment to Title VII of CETA, which establishes Private Industry Councils (PICs), is currently pending in Congress. It would require prime sponsors to appoint, as members of the PIC, representatives of local economic development councils, (such as those established under

the Public Works and Economic Development Act of 1965). If the Act is so amended, it would be inserted into Sec. 704(a)(1) of CETA, and would be effective on October 1, 1980.

CETA funds may be used for the construction or rehabilitation of facilities being built or refurbished as part of an overall economic development effort. However, the use of CETA funds is restricted. The regulations specify the conditions under which CETA funds may be used for construction. Of particular relevance to economic development strategies are provisions in the regulations (676.40-1) allowing the use of CETA funds to pay wages and fringe benefits for participants employed by the public or private non-profit agencies, and to purchase equipment, material and supplies for use by CETA participants while on the job for use in their training. CETA workers could be employed by public or private agencies, organizations or businesses for on-the-job training (OJT) or as public service employees (PSE) and could work on the construction of facilities designed to enhance the economic status of a locality. The Act specifically states that the PSE jobs authorized under Title II-D must be entry-level, combined with training and support services, and designed to enable participants to enter unsubsidized employment (Sec. 232(a)). However, PSE participants under Title VI are not restricted to entry level positions.

In local economic development rehabilitation projects, program operators must comply with state and local building codes, energy codes, and licensing requirements. Necessary information on codes and licensing can be obtained by contacting the local municipality where the project is taking place.

The 1978 amendments expand CETA's commitment to weatherization projects by requiring that the Secretary of Labor "facilitate and extend projects for

work in the weatherization of low-income housing..." and by requiring assurances of "an adequate number of supervisory personnel" (sec. 123 (c) (2&3).

The regulations (676.23) repeat the statutory language in the Act and further allow such projects to include weatherization and winterization for the "near" poor. Eligibility for these activities is defined as "families having incomes which do not exceed 125 percent of the poverty level". This income level is annually determined by the Office of Management and Budget. Sec. 123(c)(4) of CETA also allows, as part of a community revitalization or stabilization project, the use of CETA funds for home repair or rehabilitation for lower income families, as defined in Section 8(f)(1) of the United States Housing Act of 1937. Persons eligible are those whose family income does not exceed 80 percent of the median income for the area, who live in dwellings owned by the occupant, or which are publicly owned, owned by a private non-profit organization, or cooperatively owned.

In designing projects for weatherization and winterization, prime sponsors are encouraged to consider coordination with projects approved by the Community Services Administration, as authorized under the Economic Opportunity Act of 1965, or those of the Department of Energy authorized under Title IV of the Energy Conservation and Production Act of 1976.

Other activities to be considered under the aegis of "community improvement and betterment" are housing rehabilitation such as code enforcement, upgrading of senior citizens housing, removal of barriers for handicapped residents, and energy conservation, with priority given to the reduction of non-renewable resource consumption. (676.23(e)(2) and (3), p.33869). Here energy conservation is considered as "community improvement", and it is also

referred to in Sec. 121(m) where such an effort is implied to be "job generating".

> Prime sponsors shall provide, where employment opportunities already exist or where there is a reasonable expectation of near-term expansion of such employment potential, employment and training opportunities in the development and use of solar, geothermal, hydroelectric, and other alternative energy technologies, and conservation, especially those clean, safe, renewable resources which may assist communities in resolving energy demand problems, thereby reducing their reliance on conventional non-renewable fuels.

Thus, the dual purpose of providing employment and training services and community improvement is achieved. CETA-aided energy conservation efforts not only provide training and employment opportunities for participants, but can contribute to reducing consumer energy expenditures, subsequently increasing local real income.

These programs under CETA, especially winterization, could be integrated or utilized as one part of a larger housing rehabilitation or renovation project under a local economic development strategy.

3. On-The-Job Training (OJT)

Title II of CETA provides for on-the-job training programs, which are conducted usually in a work environment designed to enable individuals to learn a skill and qualify for a particular occupation through demonstration and practice. OJT may involve individuals at the entry level of employment or be used to upgrade present employees into occupations requiring higher skills. The training is to be designed to lead to the maximum development of a participant's potential and economic self-sufficiency. For OJT CETA participants may be placed with firms involved in economic development projects.

Prime sponsors may provide payments or other inducements to public or

private employers for the bona fide training and related costs of providing OJT, provided that payments to employers organized for profit are made only for the costs of recruiting, training, and supportive services which are over and above those normally provided by the employer. Direct wage subsidization in the private for-profit sector is prohibited. But, under the current DOL regulations, the methods of determining employer reimbursement include wages as a factor. One incorporates the employee's wage in a formula used to determine non-productive time and other employer costs during training. An employer can be reimbursed for "extraordinary training costs" up to a level of 50% of entry level wages. This has been the primary means of employer reimbursement under the CETA system. However, another method of reimbursement for contracting large numbers of trainees is based on a fixed unit cost per person. Prime sponsors are free to design different methods of cost reimbursement provided that payments reflect only extraordinary training costs. Contracts are required to be specific enough to permit verification that the services are provided to participants. The length of time for which such payments may be made is limited to that period of time generally required for the acquisition of skills needed for a position within a particular occupation. Labor organizations are to be consulted in the design and conduct of on-the-job training programs where collective bargaining agreements exist with the employer.

4. Public Service Jobs

CETA encourages the placement of public service employees with local non-profit groups, and does not limit public service to direct employment by a government agency. Two public service employement programs are authorized under CETA. The first is under Title II authorizing public service jobs for the long-term unemployed. This program is designed to provide transitional

employment opportunities for the economically disadvantaged who usually receive some form of training with the job. The second is authorized under Title VI as a countercyclical public service employment program for unemployed individuals who have either lost their jobs or who are unemployed because of the economic circumstances in the area.

CETA regulations (675.4) define "public service" employment as including work, (including part-time work), related to economic development in such fields as environmental quality, health care, child care, crime prevention and control, transportation, recreation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, housing and neighborhood improvements, rural development, conservation, beautification, and other fields of human betterment and community improvement.

Public service jobs programs and projects are planned and administered at the local level, and the prime sponsor may use them to augment local economic development efforts. The prime sponsor may subcontract to those administering local economic projects and provide the wages and fringe benefits of CETA workers.

The duration of participation under the public service employment program is limited to a maximum of 18 months for any one participant. During the time a CETA participant works in an economic development project, it is expected that the work provide meaningful experience or some skill training that would develop the individual's employability for a permanent job.

The wages paid to CETA workers are restricted to a maximum of $10,000 unless indexed upward by the Secretary of Labor for high-wage or high cost of living areas (Sec. 122(i)(2)). The Act also requires that public service annual wages average not more than $7,200 nationwide. The Department of Labor,

as a result, issues an average wage level and a maximum wage limitation to each prime sponsor annually, revised according to the average level of wages paid in the area outside of CETA. The average CETA wages for Illinois prime sponsors range from $9,341 for urban areas to $7,093 for rural areas.

Under the special conditions applicable to public service employment in Section 122 of the Act, prime sponsors must insure that employment opportunities and the projects themselves benefit the local community. The work should provide additional jobs for new workers without displacing current workers in public services, and the products of the effort should not result in a reduction of the public service customarily provided by the local government. The activity should supplement and not supplant existing public services.

The project also should have the potential to encourage and sustain further economic development:

> Sec. 122.(m) To the extent feasible, public service jobs shall be provided in exceptional fields which are most likely to expand within the public and private sectors...

Finally, only a public or private non-profit organization, preferably serving low-income groups, can obtain funding from a CETA prime sponsor to implement such an endeavor. A community-based service venture, which could grow out of a public service employment project, could provide social services to local constituencies while at the same time ensuring training and creating employment opportunities for the CETA-eligible residents of the community.

5. Upgrading and Retraining

Under Title II (Sec. 221) of CETA, prime sponsors are permitted to use up to 6.5 percent of their allocation funds under Title II for conducting upgrading and retraining programs. On-the-job training and classroom training are the allowable program activities for these programs, which could provide

valuable assistance to economic development efforts at the local level. Prime sponsors are to coordinate upgrading and retraining programs with the Private Industry Councils (PICs) authorized under Title VII of CETA.

To be eligible for upgrading programs, persons must be operating at less than full skill potential, and working for at least the prior six months in either entry level, unskilled or semi-skilled positions or positions with little or no advancement opportunity in a normal promotional line. Priority consideration must be given to those workers who have been in entry level positions for the longest period of time, and who have potential for upward mobility.

The positions for which participants are being upgraded must be those not otherwise available to entry-level employees, and must provide opportunities in highly skilled jobs or for upward mobility beyond the occupation for which the training is provided. The education and skill content of upgrading programs must provide participants with qualifications for positions of greater skill, responsibility, remuneration or career advancement in the employer's own enterprise. Prime sponsors much give first consideration to those employers who indicate that, for every employee to receive upgrading, at least one new individual is to be hired into unsubsidized employment at the entry level. This could provide a valuable tool in local economic development programs for upgrading the existing workforce and expanding the availability of entry level positions in the project.

Retraining programs are to teach participants new skills distinct from those possessed upon entering the program, and would be primarily for those occupations in which skill shortages exist. The retraining programs may be conducted directly by the prime sponsor or through agreements with public

and private employers or other organizations or agencies. . . .

Individuals can enter a retraining program only if they have previously received a bona fide notice of impending layoff and have little opportunity to be reemployed in the same or equivalent occupation or skill level within the labor market area. Prime sponsors, under the general provisions of the Act, are to design their programs to meet the specific economic needs of their individual areas. A retraining program could integrate unemployed and laid off workers of an area into an economic development project by providing the skills necessary for the project to achieve its goals.

It should be noted that an amendment to CETA is currently pending in the Congress which would allow a prime sponsor to utilize up to 10 percent of the funds allocated for the private sector initiative program under Title VII for the upgrading and retraining activities authorized under Title II. The amount already available for such activities (6.5 percent) under the present Title II program would thus be increased.

Since many workers function at less than their full potential, upgrading and retraining programs could help these workers to become more productive and also provide an incentive for employers to hire disadvantaged workers in entry level positions. This expanded funding for upgrading and retraining programs may also provide constructive alternatives to layoffs during a recession.

6. Entrepreneurial Activities

Entrepreneurial ventures, meaning new locally owned businesses, possibly managed or operated by CETA participants are an allowable form of economic development and job creation. An activity allowed under the private sector initiative program in Title VII of CETA (Sec. 705(a)(2)) is:

> developing a small business intern program to provide a practical training enabling youths and other individuals to work in small business firms to acquire first-hand knowledge and management experience about small business.

An example of this type of program activity, which also portrays a capacity to link CETA programs with other Federal assistance, is a model program operated in Broward County, Florida, where eight CETA participants graduated from the Title VII private sector initiative program as entrepreneurs. Each completed 160 hours of 'hands on training' (including feasibility studies, developing articles of incorporation, sales promotion plans, etc.), and a three-week internship with a firm in a business they plan to enter. Eight local banks agreed to set aside $80,000 for loans for the CETA program participants who could not meet standard credit requirements. Banks are obligated, under the Community Reinvestment Act of 1977, to meet the credit needs of the communities in which they do business, including low and moderate income neighborhoods.

The 1978 CETA amendments allow projects to retain income beyond the length of their CETA grant, as long as the income generated by the project activity is used to continue the employment and training activity originally funded by CETA. Title I of CETA in Sec. 123(h) states that:

> Pursuant to regulations of the Secretary, income generated under any program may be retained by the recipient to continue to carry out the program, notwithstanding the expiration of financial assistance for that program.

This income may also be added to new CETA grants for the same program activity to further eligible program objectives. Project applicants have to state in their CETA contracts how they will spend their program income dollars.

The Department of Labor may require the recipient to account for the expenditure of program income for up to two years after the CETA grant ends. (CETA regulations 676.36, p. 33882.)

Under CETA regulations prior to May 15, 1980, retaining program income was not allowed, even if it was to be reinvested in the project. The new provision should increase the ability of projects to raise money through the sale of services or goods and possibly use this money to convert the project to a venture that is independent of CETA funding. This capacity to retain program income is a recognition by the Congress that there is a real need for local economic development efforts to help create, retain, and make accessible good jobs which are not subsidized totally by CETA.

C. LIMITATIONS AND RESTRICTIONS

CETA has many rules and stipulations which must be taken into account when considering its application to economic development programs. These restrictions and limitations fall basically into three main categories: type of economic development that CETA cannot aid, the duration of program participation for enrollees, and limitations on wages and supplementation of the wages for participants.

1. On Types of Activities

Utilizing CETA funds to subsidize and encourage the form of economic development known as "relocation", attracting a business from one area to a less developed area is explicitly prohibited in the law:

> Sec. 121(e)(4) No funds shall be used to assist in relocating establishments, or parts thereof, from one area to another or locating new branches, subsidiaries, or affiliates, unless the Secretary determines that such relocation will not result in an increase in unemployment in the area of original location or any other area.

Section 676.40-1(f) of the regulations likewise prohibits the use of CETA funds to assist a business which has relocated within the past year when such relocation has resulted in an increase in unemployment in the area of original location or in any other area.

2. On Terms of Participation

No individual can participate in CETA programs for longer than a total of 30 months in a 5-year period. This restriction includes all types of program activity that an individual may participate in: classroom training, on-the-job training, and public service employment. Special restrictions on public service employment limit an individual's participation to 78 weeks in a 5-year period.

It is expected that, after participation in the appropriate CETA employment and training programs, individuals can be transitioned into permanent employment in the public or private sectors. The Act is intended to serve as a temporary employability development program providing the necessary employment and training experience so that economically disadvantaged individuals can become competitive in the regular labor force.

3. On Wages and Supplementation

As described above, the maximum federal wage that can be paid to CETA employees under the public service employment programs is $10,000 unless the Secretary of Labor adjusts this maximum upward with the area wage adjustment index which allows a higher maximum in high wage areas. The statute also requires that public service employment wages maintain a nationwide average of $7,200.

An additional limit has been placed on supplementation of CETA public

service employment wages from other sources than funds under the Act. Only Title VI (Countercyclical Public Service Employment Program) participants may have their wages supplemented. The amount that may be supplemented is limited to 10 percent of the maximum federally supported wage (Sec. 609(2)). An additional restriction is placed on the total amount of public service employment that may be supplemented in a prime sponsor's area. Wage supplementation may not exceed an amount equal to 10 percent of the funds received by the prime sponsor under allocation for the Title VI program. (Sec. 609(1)).

All CETA participants, unless they receive allowances for classroom training, are required to be paid at least the Federal or state minimum wage, whichever is higher.

The Federal Davis-Bacon Act prevailing wage law would also apply to CETA employees on a construction project. This measure regulates the wages of workers employed with federal funds in the construction, repair, painting of public buildings or in public works projects. When the Act applies to a project, CETA workers must be paid at the local prevailing wages set for various trades and skills by the Secretary of Labor (Sec. 125).

To utilize CETA participants on projects involving construction or the building trades, the Act requires that the individuals be paid at least the prevailing wage rates for employees in the area doing similar work (Sec. 125). Prime sponsors, in arranging for such activity by CETA participants, are required to consult, and reach an agreement with, the local organized labor unions involved in that activity.

Also, the prime sponsor is required to develop new job classifications or reclassifications, where necessary, to employ CETA youth in the public and private sectors. These new classifications could include various types of

"assistant" positions to regular tradesmen, or pre-apprenticeship positions. The Act provides local flexibility in designing the new classifications or reclassifications, but any wage determinations for the new positions would have to be agreed to by local labor organizations if they are affected, or where none exist, they would be determined by the Secretary (Sec. 442(3)).

* * * *

For further information on DOL/ETA administered programs, contact the regional office for Illinois:

Department of Labor, Region V
Employment and Training Administration
230 South Dearborn Street, 6th Floor
Chicago, Illinois 60604
(312) 353-0793

D. THE PENDING CETA BUDGET

Both Congress and the Administration are cutting back on the CETA funding support for fiscal year (FY) '81 which begins October 1. The President's original FY'81 budget request continued CETA at its FY'80 funding level, but recent attempts to achieve a balanced Federal budget have reduced the FY'81 CETA budget by at least $1.2 billion.

The House of Representatives Appropriations Committee approved its Labor-HEW bill which sets FY'81 CETA program funding, excluding Title IVA (YEDPA) and VII (PSIP), at $7.4 billion. The authorizing legislation for Title IVA and Title VII has not yet been passed. This appropriation is approximately $357 million less than was appropriated for CETA in FY'80.

The Committee would provide $1.293 billion for public service employment (PSE) Title VI; $2.2 billion for Title IID PSE; $2.1 billion for other Title II programs; $305 million for Title III national programs; $839 million for the Summer Youth Employment Program (SYEP); $560.7 million for Job Corps; and $136 million for Title III, Young Adult Conservation Corps.

The Senate Budget Committee has voted to cut $300 million from employment and training funds for FY'81 as part of its second budget resolution. Exactly which programs would be cut is still unknown. Furthermore, the Committee's budget assumes that CETA Title VI will be phased out and that the Young Adult Conservation Corps (Title VIII) will be eliminated.

This reduction in support for Title VI and the push for a balanced budget clearly indicate a growing emphasis on skills training and job placement for CETA participants in the private sector and a strengthening of the role of Private Industry Councils (PICs) as a means of directing CETA funding to private sector employment and training programs. With the push to increase private sector involvement in the training and employment of CETA enrollees, comes a major new priority for national, state and local government economic development and revitalization.

III. OTHER RELEVANT FEDERAL LEGISLATION

III. OTHER RELEVANT FEDERAL LEGISLATION

The Federal government offers a wide variety of programs and services which may be used to promote and complement economic development in states, counties and metropolitan areas. Most of the authorizing legislation for such programs and services states that, directly or indirectly, projects should address unemployment by job training and the creation of jobs, while serving low-income areas. There is the capacity to link economic development and community improvement activities, under the many laws, to training and employment mandates and initiatives, particularly those of CETA, and such coordination has become an administrative priority. This is evidenced in the "Employment Initiatives" effort mentioned above, and, although it is in the planning stages, this initial effort, as well as other mentioned pending legislation, signifies the increasing movement in this direction.

Following are brief legislative and administrative outlines of those other key agencies and their programs, as they pertain to linking the employment/training and development aspects of communities.

A. PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965, AS AMENDED

(P.L. 89-136)
(13 CFR, Parts 304-308)

This Act was authorized to help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development. By developing and expanding new and existing public works, new employment opportunities should be created.

The Commerce Department's (DOC) Economic Development Administration (EDA) was created to implement the provisions of the Public Works and Economic Development Act. EDA provides grants, loans, and technical assistance to

public sector organizations and private companies. Assistance under EDA is limited to areas designated as Economic Development Districts (EDDs) or Redevelopment Areas. Area eligibility is defined in Title IV, Sec. 401 of the Act. An EDD is usually composed of five to ten adjacent counties; must contain a city or center of economic activity with a population under 250,000; and have development potential to provide jobs and services for the unemployed and underemployed.

An EDD is approved by the Secretary on the basis of an Overall Economic Development Plan (OEDP) put together by a broad-based local board. Prime sponsors and organizations involved in employment and training are eligible for membership on the boards in their areas which have continuing responsibility for implementation of the OEDP and EDA projects under their auspices. This is in keeping with the idea put forth in the amendment to Title VII, CETA (mentioned in the Administrative Provisions of the CETA section, p. 12 of this report), which requires appointed representatives of economic development councils established under the Public Works Act to sit on the Private Industry Councils (PICs).

In order to ensure that the jobs created by EDA projects are made available to the unemployed or underemployed, applicants are required to develop an employment plan. (EDA Directive, No. 63-79A, effective 10/26/79). Eligible applicants are state and local governments and private and nonprofit organizations such as Community Development Corporations (CDCs). EDA states that the employment plan should embody an agreement between the applicant and the local prime sponsor outlining the process by which the long-term unemployed will be assured of being considered for the jobs produced by the project.

EDA is one of the six Federal agencies participating in the President's "Employment Initiatives" program. Although the law itself does not specifically speak to CETA/EDA linkages, projects approved must address unemployment problems and needs through required agreements which are an administrative priority and directive.

Project applications must be consistent with the OEDP along with inclusion of a plan for providing jobs to persons trained or referred by local CETA or its subgrantees.

Projects are restricted from assisting a company in a supply-greater-than demand industry; benefiting apparel or garment companies; and from helping to relocate industries and businesses. This last restriction is consistent with the CETA provision which also prohibits use of funds to aid in relocation activities (CETA Sec. 121 (e)(4)).

Title I - Public Works and Development Facilities

The purpose of Title I is to promote the growth and expansion of private-sector industry through public works and development facilities grants, with the aim of alleviating unemployment in a community. Direct grants are made to state and local governments, economic development districts (EDDs), regional planning commissions as authorized under the Act, and private and public nonprofit organizations to carry out public facility development projects, such as water and sewer facilities primarily serving industrial and commercial users; utilities, streets, and access roads for industrial expansion; regional airports; and vocational schools.

An example of linking CETA with Title I of the Public Works Act is as follows:

A new employer is expanding into a small rural community between Phoenix and Tucson because of access to transportation (an interstate highway) and market (Arizona and California). The facility will be located in an industrial park that is owned by a private-non-profit development corporation that is using EDA Title I, Section 304 and state matching monies for development of the park. The new "Employment Initiatives" program came into play here, because, as a result of the priority on earmarking jobs created by federal development grants for CETA-eligible individuals, the firm came to the state to see what was involved and found that CETA could supply trained workers. The firm has now selected its site for its new plant and plans are being developed to set up a program for training specifically for the needs of the employer.

Title II - Business Development Loans

This section authorizes EDA to make direct loans and guarantees not available from private sources for establishment or expansion of business in order to preserve existing jobs and to create additional long-term employment opportunities. Eligible activities include the purchase or development of land and facilities, including machinery and equipment for industrial or commercial use; alteration, conversion, or enlargement of existing buildings; and the construction of new buildings. If CETA participants work on the construction of new buildings under this title, the Federal Davis Bacon Act, described in section C of this report, applies. Also, the appropriate labor organization must be consulted if CETA participants are placed on the project. For further information on requirements regarding union involvement, see the CETA regulations in the Federal Register, May 20, 1980. (Part IX, Vol. 45, 676.24, p. 33870). Again, as stressed previously, if members of EDD

councils and of PICs involve themselves in each other's planning, requirements like these can be worked out and understood from the beginning stages of linking the programs.

Finally, the statute lays the groundwork for employment and training program linkages by stating under Title II that:

> The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underdevelopment within the redevelopment area wherein it is or will be located. (Sec. 202(b)(3), p.9)

Title III Technical Assistance, Research, Planning

This title specifically requires state and local governments to undertake a comprehensive economic development planning process which is coordinated with other state and substate planning activities and leads to the formulation of development goals and specific strategies to achieve them, with particular emphasis on reducing unemployment and increasing incomes. This is consonant with Sec. 105(b)5 of CETA which requires states to develop a coordination plan, taking into account such activities as community development. Those working at the local level (CBOs) should follow state activities under CETA and EDA authorizations.

Title III grants are provided for the design and operation of economic development programs by state and local governments or private non-profit groups; program planning and development by states, cities or EDDs; and to states who then offer grants and loans to local governments for economic development programs. A percentage of these federal dollars must be matched by the grantee. Pilot, or demonstration projects to test programs of wide applicability throughout the nation are examples of eligible activities. An economic development effort that sets aside a percentage of jobs for CETA trainees, and the evaluation of this activity, would be a form of linking

employment and training and economic development under this title, and is an example of what is planned under the interagency agreements at present.

Title IX-Special Economic Development and Adjustment Assistance

This title provides assistance to state and local governments for solving existing or anticipated economic adjustment problems such as unemployment due to sudden dislocations when plants and businesses move or shut down and long term economic deteriorization. (Sec. 901, p. 55).

Assistance is provided in the form of development grants, used to contract consultant staff services to develop a strategy and implementation grants used to carry out the approved strategy. Activities include, but are not limited to, public services, business development, and public facilities. CETA participants could be employed in projects conducting these activities.

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For further information on EDA programs, contact the regional EDA for Illinois:

U.S. Department of Commerce
Economic Development Administration
175 West Jackson Boulevard
Chicago, Illinois 60604
(312) 353-7706

B. THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED

(P.L. 93-383) (24 CFR, 570.450) (Reamended in 1977)

The Department of Housing and Urban Development (HUD) provides significant funds for economic development efforts under the Housing and Community Development Act which amended the U.S. Housing Act of 1937. Specific programs included under this Act are the Urban Development Action Grant (UDAG) program and the Community Development Block Grant (CDBG) programs. These grants are administered under the Assistant Secretary for Community Planning and Development, HUD.

UDAG

The Office of UDAG/HUD administers Title I, UDAG (section 110), which has been a HUD resource utilized in the "Employment Initiatives" program. The purpose of UDAG is to stimulate new development and investment in distressed areas through public and private sector partnerships. Cities and urban counties apply for the UDAG and, in turn, distribute the funds to the private developer. Community based organizations are not eligible to apply for UDAG grants, but they and prime sponsors can link their employment and training program components to the approved projects.

UDAG is a discretionary grant program for cities and urban counties that meet six distress criteria put forth by the Secretary. Because there is competitive bidding, a factor taken into account in the negotiation process is whether an employment and training plan is linked to the project. If no such agreement exists the applicant should state why.

Allowable activities under the grant are economic revitalization and neighborhood reclamation activities such as land clearance, site improvements, in-

frastructure needs; and rehabilitation and construction of public, commercial, industrial, and residential structures. For example, if a UDAG grant is allocated to a city it could be used to modernize an industrial plant. In the application the city would show that the owner of the plant has agreed to set aside 10% of the new jobs in the plant for first referrals from the local CETA prime sponsor. The CETA program previously would have contracted with the plant to train CETA eligible individuals in the necessary skills to qualify for the jobs, some of whom will be placed at the plant once HUD awards the grant.

CDBG

Community Development Block Grants (CDBGs) are also part of Title I of the Community Development Act, and are administered by the Office of Block Grant Assistance, HUD. The grants consist of entitlements to cities in Standard Metropolitan Areas with populations greater than 50,000 to develop viable urban communities and to expand economic opportunities, principally for persons of low and moderate income; and discretionary grants to small cities with a population of 50,000 or under to carry out projects that would aid in providing decent housing and expanded economic opportunities.

Eligible activities under these grants are housing and neighborhood conservation, planning, continuing urban renewal projects, social services, funding local development corporations, financing commercial or industrial building construction, and rehabilitation of privately owned properties. These are all job generating and a percentage of jobs created could be set aside for CETA eligibles. For example, the Minneapolis City Council has passed a resolution giving preference to projects that link CETA opportunities to the city's economic development program. Organizations that receive public assistance such

as community development block grant funds or Section 312 Rehabilitation Loans must agree as part of the contract to provide training or unsubsidized employment for CETA-eligible people. Priority for awarding contracts for economic development projects are given to organizations with a proven record of hiring this population. (Section 312 Rehabilitation Loans under the Act are given at low interest for long terms to residential and non residential property owners; or to owners or tenants of multi family dwellings, urban renewal and CDBG areas.)

The regulations governing CDBGs do not require that applications contain an employment/training component, but the Department strongly encourages projects to show how jobs will be made available to low and moderate income families - the people who usually reside in the development areas.

Section 3 of the Urban Housing and Development Act of 1968 states:

> "Business and employment opportunities generated by HUD programs should be made available to local residents..."

Community Reinvestment Act (CRA)

This Act amended Title VIII of the Housing and Community Development Act of 1977, and requires banks to make an effort to invest and provide for the credit needs of their communities.

CRA offers great potential for credit-starved, deteriorating urban neighborhoods and rural areas, and for disadvantaged persons, who also may be unable to obtain credit for start-up and venture capital. It offers communities the opportunity to apply this Act as an economic development tool by allowing them to monitor the performance of banks in providing the necessary credit to maintain existing businesses, encourage start-up ventures, and attract new commercial enterprises.

The four agencies that have been assigned oversight responsibilities are the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board. The law requires the agencies to assess each local institution's record in meeting the credit needs of its community and to take this record into account before granting charters, deposit insurance, branches, mergers, savings and loan holding company acquisitions, and relocations.

The agencies have issued regulations which require each institution to adopt a Community Reinvestment Act Statement, including a delineation of the community it serves; develop a list of the principal types of credit the lender is prepared to extend to the local community; post a CRA Notice in the lobby of each of its premises; and maintain a public file of all signed written comments it has received in the past two years.

This program can be used in conjunction with CETA, and an example of such an undertaking is cited earlier in this report. (p. 21 Entrepreneurial Activities)

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For further information on HUD administered programs, contact the regional office for Illinois:

Department of Housing and Urban Development
Region V
Office of UDAG or Office of Block Government Assistance
300 South Wacker Drive
Chicago, Illinois 60608
(312) 353-5682

C. THE ECONOMIC OPPORTUNITY ACT OF 1964, AS AMENDED

(P.L. 88-452) (45 CFR, 500-1199)

The purpose of the Act speaks directly to providing employment and training opportunities, which would be accomplished through economic development and revitalization activities carried out by the community based organizations authorized under the Act.

> Sec. 2. It is the policy of the United States to open to everyone the opportunity for education and training and the opportunity to work.

The Act is administered by the Community Services Administration, and through Title VII, Community Economic Development, the agency offers its principal form of economic development assistance. The Community Economic Development Program includes development of industrial parks, improved housing, job training, and ownership opportunity for low-income residents of economically deprived communities. It operates mainly through Community Development Corporations (CDCs) located in urban and rural areas with high unemployment, low income, and populations with poor work skills and training. Through the creation of new businesses and jobs, and attempts to leverage the financial and technical resources of local banks and corporations, CDCs seek to revitalize the economic and social fabric of their areas. Community economic development programs will include:

> Sec. 712(a)(3) training and public service employment programs and related services for unemployed or low-income persons which support and complement community development programs financed under this part, including without limitation, activities such as those described in the Comprehensive Employment and Training Act of 1973, and in section 222(a)(7) of this Act;

'Community Action' is also under the auspices of CSA, and to further help disadvantaged communities solve their economic problems, project grants are provided to Community Action Agencies (CAAs), primarily for administrative costs (Sec. 210). State and local governments and public or private nonprofit organizations are eligible to apply for funds. Vocational training, job placement, child care centers and housing rehabilitation are eligible activities under these programs.

The weatherization of low-income housing has received the most attention as a community improvement and job creating activity which can be linked to other programs and contributes to overall economic development.

In an attempt to resolve this issue, along with the growing priority for such employment and training and development linkages, an amendment has been offered in the House of Representatives to the Economic Opportunity Act, which would establish a program of weatherization for low-income housing under the Community Services Administration with significant new incentives to link materials and administration with CETA participants for labor, and, specifically, to allow CSA to supplement the CETA workers' wages paid by the prime sponsor, therefore enabling them to work on the projects at a competitive wage level that the average CETA wage would not provide. Because the Amendment is still pending, wage supplementation is not an allowable activity, and the following description of weatherization is what is presently authorized.

Weatherization of Low-Income Housing

The Community Services Administration (CSA) operating through its community action agencies (CAAs) or community action programs (CAPs) was first provided explicit statutory authority to operate a weatherization program in the Economic Opportunity Act Amendments of 1974. This legislation established

the first low-income weatherization grant program of its type to be authorized in law:

> Sec. 222(a)(5) In order to stimulate actions to meet or deal with particularly critical needs or problems of the poor which are common to a number of communities, the Director may develop and carry out...A program to be known as 'Emergency Energy Conservation Services' designed to enable low-income individuals and families, including the elderly and the near poor, to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption. The Director is authorized to provide financial and other assistance for programs and activities, including, but not limited to, an energy conservation and education program; winterization of old or substandard dwellings, improved space conditioning, and insulation;... Such assistance may be provided as a supplement to any other assistance extended under the provisions of this Act or under other provisions of Federal law. The Director, after consultation with the Secretary of Energy, shall establish procedures and take other appropriate action necessary to insure that the effects of the energy crisis on low-income persons, the elderly, and the near poor are taken into account in the formulation and administration of programs relating to the energy crisis.

Under this authority, CSA was appropriated funds to operate a national weatherization program in fiscal years 1975 through 1978. With the enactment of the Energy Conservation and Production Act of 1976, the authority to conduct a low-income weatherization program was transfered to the new Department of Energy. However, the Department of Energy has no local administrative units of its own to operate weatherization projects and has had to continue to rely on community action agencies under CSA to operate winterization projects. As a result coordination between the Department of Energy, which receives the direct funding for weatherization, and the community agencies, which operate the projects and weatherize the homes, is essential. The primary

objective of the program is to insulate the dwellings of low-income persons, particularly the elderly and handicapped low-income, in order to conserve needed energy and to aid those persons least able to afford higher utility costs.

The program can be used to improve the thermal efficiency of dwellings by the installation of weatherization materials such as ceiling insulation, caulking, weather-stripping and storm windows, and furnace efficiency modifications. Thirty percent of each grant may be used for such program support costs as tools and equipment, transportation of tools, materials and workers to the job site, and on-site supervisory personnel. Up to 10 percent of each grant may be spent for administrative expenses. A state usually applies for the grant from the Department of Energy and then contracts with units of general local government or community action agencies to do the work.

All low-income households are eligible to receive weatherization assistance and are defined as those whose combined income falls at or below 125 percent of the poverty level determined annually by the Office of Management and Budget, or the basis on which Federal, State or Local cash assistance payments have been made.

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For further information on CSA administered programs, contact the regional office for Illinois:

Community Services Administration
Region V
300 South Wacker Drive, 24th Floor
Chicago, Illinois 60606
(312) 353-5987

D. THE URBAN MASS TRANSPORTATION ASSISTANCE ACT OF 1964, AS AMENDED
THE SERVICE TRANSPORTATION ASSISTANCE ACT OF 1978
(P.L. 95-599) (49 CFR, Appendix A, and Part 450, Title 23)

The Urban Mass Transportation Administration (UMTA) of the Department of Transportation (DOT) administers the programs authorized under the Act, providing grants and loans to state, regional, and local public bodies to assist in the development of improved mass transportation facilities, equipment and techniques. UMTA also encourages the planning and establishment of area wide urban mass transportation systems and provides assistance in financing these systems.

Although DOT does not provide direct funds for economic development programs, its sphere of influence encompasses activities essential to the development and expansion of such activities which are job generating. UMTA is a participant in the "Employment Initiatives" program, and has agreed to set aside a percentage of jobs created as a result of its programs. The Service Transportation Assistance Act established the "Urban Initiatives" program, administered under UMTA. This program applies to a portion of the Capital Improvement Grants, and the Interagency Agreement with DOL (Appendix A, UMTA) requires applicants to submit an employment and training component. Otherwise, DOT encourages such initiatives, which are stated in administrative directives, but not mandated.

UMTA has two programs which fund projects, all of which could contribute to an overall economic development plan, as well as provide jobs to the unemployed and underemployed. They are Transit Capital Improvement Grants (Sec. 3) and the Transit Capital and Operating Assistance Formula Grants (Sec. 5).

Capital Improvement Grants

As stated earlier, a portion of this program makes up the "Urban Initiatives" program under which applicants are required to show how jobs generated will be made available to CETA participants.

These are discretionary grants to help finance purchase, construction, reconstruction and improvement of equipment and facilities for mass transportation in urban areas. Specific activities include bus purchase and modernization, rail modernization and construction of new transit systems. Eligible applicants are state and local bodies and private transportation companies which participate through contractural arrangements with the public agency grantee; private, nonprofit organizations can receive funds through the states to provide services for the elderly and handicapped.

Because these are discretionary grants, it is suggested that program applicants make every attempt to link an employment and training component to their application for funding as this will be considered by the Department.

Capital and Operating Grants

These grants are allocated on the basis of population density to publicly and privately owned companies which are operators of mass transportation services to assist in financing the acquisition, construction, and improvement of facilities and equipment for use in mass transit services and in the payment of operating expenses. An example of an eligible activity under this program is as follows:

A Transit Authority may receive capital and operating assistance grants from UMTA to purchase a bus company's land, maintain facilities, buses and transit equipment. They could also buy new buses and parts, refurbish old buses, and renovate the facility. CETA workers could be trained in the necessary mechanical skills and carpentry trades, and work on these projects.

Some equipment needed for training on these projects could also be purchased with CETA funds.

Good transportation facilities, in many instances, are a key factor in drawing business and industry to an area and could be an important component in an overall economic development plan.

Metropolitan Planning Organizations (MPOs) are established under the Act, and are overall planning bodies for DOT funded projects. The regulations require strong public participation in the development of plans (Part 450, Title 23). CBOs and other groups thus have an opportunity to learn of new job generating, DOT projects to be implemented in their areas, and to bid for contracts with the grantee to provide employment and training services tailored to the needs of the employer.

* * *

For further information on DOT administered programs contact the regional office for Illinois:

Department of Transportation, Region V
Urban Mass Transportation Administration
300 South Wacker Drive, Suite 700
Chicago, Illinois 60606

(312) 353-0100

E. THE SMALL BUSINESS INVESTMENT ACT OF 1958, AS AMENDED

(P.L. 699) (13 CRF, Part 108)

The purpose of this Act is to:

> "improve and stimulate the national economy in general and the small-business segment thereof by establishing a program to stimulate and supplement the flow of private equity capital and long-term loan funds which small-business concerns need for the sound financing of their business operations and for their growth, expansion and modernization..."

Stimulating development in this way implies the creation of new jobs, and CETA funds could be linked to such an effort, although they cannot be used for investment or start-up capital. Such funds cannot be used in a revolving loan fund either. However, other services provided by CETA, such as recruitment and training, can be included in a proposal for SBA funds to make the program more attractive for funding purposes. The Small Business Administration (SBA) is the agency which administers the programs authorized under the Act.

Business Loan Program

SBA offers a number of programs which provide financial assistance to small businesses. The largest financial assistance program is the 7(a) or Regular Business Loan Program which provides guaranteed, direct and immediate participation loans to small businesses to help them finance plant construction, conversion or expansion and acquire equipment, facilities, machinery supplies or materials.

SBA also provides working capital to small businesses. A small business is defined in the regulations as one which is not dominant in its field, and

to obtain a 7(a) loan, a small firm must have been refused a loan by at least one bank (108.503).

Development Companies

Section 501 and 502 of the Act authorize State and Local Development Company loans to small businesses through state and local development companies. Eligible activities, which CETA eligibles could participate in are business expansion, conversion, construction and modernization of buildings. State development companies must be incorporated under state law and have authority to assist small businesses throughout the state. Local Development Companies must be private nonprofit, nonstock or for-profit stock corporations.

In regard to membership, the regulations (108.503-1, (b)(1)) require the 503 company to be representative of the community in which it operates. Evidence of such representation shall include participation by community development organizations and neighborhood associations, some of which are involved with employment and training.

If a small town is suffering from severe economic hardship due to the closing of a major industrial facility, a group of community leaders could form a local development company, obtain SBA loans, and encourage firms to relocate in the town, creating new jobs in the area. A percentage of the new jobs could be set aside for CETA eligibles.

If SBA funds are part of a development package, and CETA is linked to the project, the Federal Davis-Bacon Act applies.

* * *

For further information on SBA administered programs, contact the regional office for Illinois:

Small Business Administration
Office of Community Development
Federal Building, Room 437
219 South Dearborn Street
Chicago, Illinois 60604

(312) 353-0355

F. THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT, AS AMENDED

(P.L. 92-419) (7 CFR, 1500-2793)

The Farmers Home Administration (FmHA) of the Department of Agriculture (DOA) channels credit to rural residents and communities and helps borrowers gain maximum benefit from loans through counseling and technical assistance. FmHA loans and grants supplement the amount of credit and capital directly available from commercial lenders in rural areas. In most programs, the agency makes loans to qualified applicants who are unable to find other sources of financing on terms or conditions they can meet.

FmHa's credit programs' goals are to increase income and employment through the installation of water/waste disposal systems and other community facilities to help rural areas to upgrade the quality of living and promote economic development and growth. A percentage of jobs created by activities and projects funded as results of the FmHA loans and grants are to be set-aside for CETA eligibles. Because DOA is an "Employment Initiatives" participant, applicants for funds are to construct an employment and training plan, outlining how jobs will be made available to the unemployed and underemployed, through agreements with CETA primes or CETA subgrantees, such as CBOs involved in employment and training. If this is not done, applicants should give justification as to the lack of a plan.

The principal programs under which linkages can take place are Business and Industrial Development Loans (Sec. 310B), Community Facility Loans (Sec. 306), and Water and Waste Disposal (Sec. 306).

All of the proposed projects must meet Department of Labor certification requirements, which are designed to insure that jobs or business activities are not transferred from one area to another or that industry over capacity

is not developed in a particular area. It has been emphasized previously that CETA participants cannot work on such relocation projects.

Business and Industrial Loans and Grants

> "(a) The Secretary may make and insure loans to public, private, or cooperative organizations organized for profit or non profit, to Indian tribes on Federal and State reservations, or to individuals for the purpose of improving, developing or financing business, industry, and employment, and improving the economic and environmental climate in rural communities."

Private firms in non urban areas with populations under 50,000 are eligible to apply for guaranteed loan and project grants for the purchase and development of land, buildings, and equipment; working capital and debt refinancing. Loans are administered by DOA's Business and Industry Division, while grants are administered by the Community Facility Division.

Community Facility Loans

These are insured loans to public bodies and non profit corporations in rural areas with populations under 10,000 to construct, extend, or otherwise improve community facilities providing essential services to rural residents.

Water and Waste Disposal Systems

The objectives of this program are to provide basic human amenities, alleviate health hazards, and promote the orderly growth of rural communities through new and improved water and water disposal systems.

CETA participants can work on projects funded under these programs, but it should be remembered that because FmHA loans are federal dollars, Davis-Bacon rules regarding prevailing wages and consultation with unions applies.

* * *

For further information regarding FmHA/DOA programs, contact the regional office for Illinois:

Department of Agriculture
Farmers Home Administration
2106 West Springfield Avenue
Champaign, Illinois 61820

(312) 356-1891

G. THE REVENUE ACT OF 1978 (P.L. 95-600)

The Revenue Act of 1978 established a new federal program, the Targeted Jobs Tax Credit (TJTC). The Targeted Jobs Tax Credit program is intended to stimulate economic development and social rehabilitation in the areas where they are needed most. The program's benefits are twofold: it aids businesses by lowering their taxes and it provides a significant segment of the chronically jobless with the opportunity for acquiring marketable skills and long-term employment. The program is expected to generate at least 120,000 new jobs for people in specified groups eligible to be certified for the new tax credit. The jobs are targeted to:

- persons who receive Supplemental Security Income (SSI) payments;
- handicapped persons referred by qualified vocational rehabilitation programs of the Veterans Administration;
- people 18 to 24 years old, who are members of economically disadvantaged families;
- Vietnam-era veterans under 35 years old who are economically disadvantaged;
- people who receive cash payments from a qualified state or local welfare program for at least 30 days;
- youths, 16 to 18 years old, who have not graduated from either a vocational school or high school, and who are participating in an approved cooperative education program; and
- economically disadvantaged ex-convicts who are hired within five years of their release from prison or date of conviction, whichever is later.

Under the law, economically disadvantaged individuals and families are defined as people whose incomes in the preceding six months was less than 70 percent of the "lower living standard budget" developed by the U.S. Department of Labor's Bureau of Labor Statistics annually. The standards used for

the Targeted Jobs Tax Credit vary both by family size and geographic location, and are usually determined by the local job service office of the state employment security agency.

In the first year, the tax credit equals 50 percent of a worker's salary up to $6,000 (or $3,000). In the second year, the credit equals 25 percent of wages up to $6,000 (or $1,500), so that employers can claim up to $4,500 in tax credits over a two-year period for each certified worker.

The U.S. Employment Service under the Department of Labor has been given overall responsibility for certification of eligible individuals and is the best source for detailed information for participants and employers alike on how to apply for the tax credit.

* * *

For further information, contact the regional office for Illinois:

Internal Revenue Service
1 North Wacker Drive
Chicago, Illinois 60606
(312) 353-1826

IV. PROGRAM MODELS

IV. PROGRAM MODELS

A. MODEL ONE

The August 27, 1980 issue of the "Employment and Training Reporter", cites an example of a tribe in Nevada which has successfully linked economic development and CETA, developing the necessary community resources — a community center, a grocery store and a greenhouse, and providing new skills and jobs for the residents.

Since 1969, 15 to 20 Moapa men who received on-the-job training (OJT) subsidized by CETA have been working on a variety of construction projects on the reservation. The Moapa Tribal Construction Company was established in 1976, and with the help of the Department of Housing and Urban Development (HUD) housing project grants in 1977 and 1979, now has a licensed manager and, in addition to work on the reservation, bids on other contracts.

A 1976 EDA public works grant for a community center enabled the tribe to purchase a cement truck, and add extra square feet to the community center. The extra space was used for a badly needed grocery store, whose rent pays the community center's operating costs.

The most recent project is a tomato producing operation. $381,000 in CETA grants provided training for 35 persons in all aspects of the tomato growing business. The tribe then risked financing its first half-acre of greenhouses with a bank loan. HUD then came through with a community development block grant (CDBG) which will be used by CETA trainees and the tribe's construction firm to build more greenhouses.

A spokesman for the project states that its success is attributable to sound planning, including starting with small, manageable projects, and the tribes skill in integrating funding from various federal sources.

B. MODEL TWO

An example of the kind of economic development coordination activities that have been successfully devised under the private sector initiative program of CETA (Title VII) is one designed by the Boston Private Industry Council, Inc.

A major objective of the Boston Private Industry Council is to encourage and monitor the coordination between Boston's CETA employment and training system and its economic development program. The Council views its training resources as a tool for job creation -- a means to attract industrial development and to retain Boston's manufacturing base. For this reason, the Council gives first priority in disbursing its training funds to firms expanding or locating in the City. In addition, it has reserved a small pool of its funds to provide customized training for expanding small and minority owned firms, particularly those identified by Boston's Economic Development and Industrial Corporation and by local community development corporations. By targeting its resources and tailoring its training to employer specifications, the Council strengthens the local tax base, fosters economic growth and provides stable, permanent jobs for city residents.

To support its program initiatives, the Council is designing a comprehensive marketing plan to alert companies to available business assistance programs and to increase access to private sector jobs for Boston's unemployed population. The marketing strategy is based on the development of a sales package -- or portfolio -- that contains an array of incentives and aids to business: training and upgrading, tax credits and abatements and economic development programs that exist at the federal, state and local level. The marketing staff, then, will serve as intermediaries between business and government agencies -- the contact point for matching private employer needs with public training and development resources.

V. INTERAGENCY AGREEMENTS

V. INTERAGENCY AGREEMENTS

The President's Interagency Coordinating Council (IACC) was established to implement the White House employment and development policy. The primary focus of the interagency group is to develop specific ways to strengthen the ties between federal economic development programs and employment and training efforts in order to move the structurally unemployed into private sector jobs.

The "Employment Initiatives" effort is still in the early implementation stages. The regional offices of the participating agencies are involved in the planning, and some projects have been developed, approved and begun.

The major elements of the initiative are as follows:

A. PROGRAM REQUIREMENTS FOR LINKING ECONOMIC DEVELOPMENT AND EMPLOYMENT AND TRAINING PROGRAMS

Although federally supported economic development programs have job creation as a major purpose, few if any attempts have been made, in the past, to formalize a relationship between these efforts and employment/training programs. Each of the participating agencies with a major federally supported local economic development project is altering its application process to provide for a direct link with manpower efforts. Each project requires the applicants to provide an anticipated employment impact, summarizing the number and kind of permanent private sector jobs to be created as a result of the project; a description of the existing local training programs and an identification of which program can best be linked with the project; an estimate of the percentage of jobs which will be made available to people referred from CETA or its subgrantees the specific procedures for recruiting, screening and placing referrals from CETA systems; specific evidence of agreements between

private employers and CETA to link the two efforts together; and a timetable for implementation.

B. FEDERAL INTERAGENCY AGREEMENTS TO PROMOTE JOBS IN THE PRIVATE SECTOR FOR THE UNEMPLOYED AND DISADVANTAGED.

These agreements (see Appendix A) contain provisions that commit the participating agencies to set specific annual goals for the percentage of jobs created by their development projects which would go to the structurally unemployed; increase coordination at the federal and local levels by sharing information on grant awards and training plans; and establish regular procedures at the federal level to remove obstacles to coordination in regulations, guidelines, and program operating procedures.

C. REGIONAL COORDINATION

Federal Regional Councils are to convene quarterly meetings of key economic development and employment program staff in the federal regional offices to exchange information about job creation potential in applications for economic development funding.

D. TARGETED JOBS DEMONSTRATION PROGRAM (TJDP)

Another element in the interagency agreements is the Targeted Jobs Demonstration Program, which was mentioned in the introduction of this report. Attempts at carrying out the interagency commitment at the local level have uncovered problems and the following is an example of a local level effort to link several programs to further the "Employment Initiative".

In Seattle, Washington, although the city's "Joint Venture: A Private and Public Employment Network" intends to link all five agencies which have signed bilateral agreements with DOL, no instructions have been received from CSA or EDA/Commerce. Seattle's program is being funded by HUD and DOL. The

current program focuses on providing technological assistance in entrepreneurship to women and minorities to develop small businesses and on involving organized labor in job training, placement and provision of supportive services for CETA eligible clients placed in permanent jobs created by community/economic development projects.

One of the problems encountered is the conflict among the requirements for competitive bidding versus set-asides at the various levels of government in regard to awards for women and minorities in the establishment of small businesses being created as part of economic development projects. For example, Washington state laws require competitive bidding and not set-asides whereas the city has just passed an ordinance which mandates three percent set-asides for women, and 15 percent for minorities for contracts over ten million dollars. DOT has set-asides, UDAG/HUD does not. Economic development projects of UDAG are considered to be using the city as a pass-through for federal monies which thus are not affected by the city's ordinance.

Appendix A: Interagency Agreements

58 p. fff

INTERAGENCY AGREEMENT
BETWEEN
THE ECONOMIC DEVELOPMENT ADMINISTRATION OF THE DEPARTMENT OF COMMERCE
AND
THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE DEPARTMENT OF LABOR

I. Purpose

In an effort to effectively implement the Interagency Coordinating Council's (IACC) Employment Initiatives, this agreement specifies the process by which the Employment and Training Administration (ETA) of the Department of Labor (DOL) and the Economic Development Administration (EDA) of the Department of Commerce will coordinate their programs to ensure that the maximum feasible number of jobs created by the EDA's public works and business development programs go to persons eligible for assistance under the Comprehensive Employment and Training Act, as amended, or persons who are currently CETA participants (hereafter referred to as CETA eligible persons).

II. Scope

In order to accomplish the purpose of this agreement, the provisions set forth herein relate to (1) specific employment goals established by EDA with respect to CETA eligible persons, (2) operational procedures to be used by EDA and ETA in achieving these employment goals, (3) reporting and monitoring, and (4) provision for technical assistance and training to facilitate placing CETA eligible persons in permanent jobs created by Federal economic development activities.

III. Employment Goals

Consistent with its legislative mandate to increase employment opportunities for the long-term unemployed, EDA agrees to the following provisions:

1. As a FY 1980 goal, 10-15% of the permanent jobs created by its public works and business development programs will be filled by CETA eligible persons; and

2. By no later than September 1 of each year, in conjunction with the Employment and Training Administration, EDA will review the current annual employment goal and experience and set the goal for the next fiscal year no later than September 20.

IV. Operational Procedures

A. EDA

To achieve the employment goal that has been established for FY 1980 as well as those of succeeding years, the Economic Development Administration will institute the following operational procedures:

1. Provide ETA with List of Employment Initiatives Coordinators - EDA will provide ETA Regional Administrators with the name, address, and telephone number of the EDA Employment Initiatives Coordinators in their respective region. Employment Initiatives Coordinators are responsible for overseeing the development of employment plans, and for reviewing such plans to ensure consistency with EDA policy.

2. Initiate Consultation - When an employment plan is determined appropriate for an EDA funded project, the EDA applicant will formally consult with a CETA prime sponsor or other employment/training provider as early as possible during project development (pre-application, application stages) in order to develop an employment plan. EDA's regional staff will facilitate this consultation and will advise the applicant to consult first with the CETA prime sponsor in order to target a portion of the jobs created to CETA eligible persons. Consultation is expected to continue throughout the pre-application, application, project funding, and project implementation stages.

3. Employment Plan - Applicants seeking assistance under EDA's public works and business development programs will be expected to complete an employment plan as part of their application for assistance when new, permanent jobs will result from such support. The determination as to whether an employment plan is appropriate will be determined by EDA staff and the applicant as early as possible during project development (pre-application, application stages). If an employment plan is not appropriate, an explanation of why it is not must be submitted with the application. The employment plan shall include the following elements:

   (a) The total number and titles of jobs to be created by the project;

   (b) Goals for the total number, specific titles, and timing of jobs to be made available to CETA eligible persons;

(c) The skill requirements for the jobs that are being made available to CETA eligible persons;

(d) The Linkage Process:

(1) Name of employment and training provider (e.g., CETA prime sponsor or CETA subgrantee) that is assisting applicant in developing and implementing the employment plan. (Include name of responsible person, address, and telephone number.)

(2) Identification of employment and training programs to be applied in preparing and/or referring qualified persons to available jobs. Indication of how they will be used and any special conditions required by the employer (e.g., number of referrals per vacancy to be filled, timing of referrals).

(3) Identification of the roles and responsibilities of the participants in the employment plan (e.g., EDA applicant; EDA beneficiary, if different from applicant; CETA prime sponsor or other employment and training provider; and the local economic development agency, if not the applicant).

(4) Indication of the procedure and schedule for implementing the employment plan; and

(e) Provide the signatures of persons or agency representatives party to the employment plan (i.e., EDA applicant; EDA beneficiary, if different from applicant; CETA prime sponsor or other employment and training provider; and economic development agency, if not the applicant).

4. Notification - Upon approval of a project which includes or will include an employment plan, EDA will notify the CETA prime sponsor or other employment/training provider signatory to the employment plan, as well as the ETA's Employment Initiatives Coordinator in order to activate the employment/training system.

5. Certification of Eligibility - EDA and its fund recipients will work with CETA prime sponsors and the ETA delivery system* in certifying the eligibility of persons who may be eligible for CETA assistance but are not CETA participants, when such persons are to fill jobs resulting from EDA's projects.

6. Identifying Alternate Employment/Training Provider - When the local prime sponsor is unable to assist EDA's staff and applicant in developing and implementating an employment plan, EDA's staff may call upon the ETA Employment Initiatives Coordinator to discuss an alternate employment/training provider who might provide the necessary services.

B. ETA

The Employment and Training Administration recognizes that linking its employment and training programs with the Economic Development Administration's public works and business development programs can result in increased permanent employment opportunities for CETA eligible persons, and agrees to facilitate this linkage by undertaking several activities:

1. Provide EDA with List of Prime Sponsors - The Employment and Training Administration will provide each EDA Regional Director with an updated list of CETA prime sponsor directors and Regional ETA Employment Initiatives Coordinators, along with their telephone numbers and addresses.

2. Staff - ETA will require each Regional Administrator and prime sponsor to identify an Employment Initiatives Coordinator who will assume responsibility for coordinating activities related to the Employment Initiatives. To the extent possible, personnel assigned these functions at the Federal and local levels should be the same staff that has been assigned to the Private Sector Initiatives program.

3. Responsibilities of Employment Initiatives Coordinator The designated Employment Initiatives Coordinator assigned to coordinate activities related to the Employment Initiatives in each of the regions by ETA and at the local level by prime sponsors will assist EDA's staff and applicant in developing and implementing the employment plan delineated above. The Employment Initiatives Coordinators will also be responsible, at their respective levels, for tracking the stage of implementation of EDA funded projects

*ETA delivery system refers to the Job Service, Work Incentive (WIN) Program, Bureau of Apprenticeship and Training, and Job Corps.

in order to initiate the necessary CETA activities (e.g., employment, training, reporting, screening, referral and counselling) at the appropriate time to place CETA eligible persons in permanent jobs created by EDA's programs.

4. Identifying Alternate Employment/Training Provider - When the local prime sponsor is unable to assist EDA's staff and applicant in developing and implementing the employment plan, the EDA staff may call upon the ETA Employment Initiatives Coordinator to discuss an alternate employment/training provider who might provide the necessary services.

5. Assist EDA in Describing CETA Programs and Participants - Consistent with available funds, ETA will assist EDA in involving its applicants in employment/training programs by developing and publishing information packets geared to the private sector, focusing on the availability and benefits of employment/training resources, including various tax credits.

6. Certification of Eligibility - Prime sponsors and the ETA delivery system, working with EDA and its fund recipients, will certify the eligibility of all persons who fill jobs resulting from EDA's projects.

V. Reporting/Monitoring

In order to keep the Interagency Coordinating Council (IACC), the Office of Management and Budget (OMB), and each of the participating agencies informed of the progress being made in filling permanent jobs which result from EDA investments with CETA eligible persons, EDA and ETA agree to the following reporting/monitoring provisions:

A. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), EDA will submit reports to OMB. These reports shall include the total number of EDA projects funded for the fiscal year to date, the federal dollars committed by program type, the number of permanent jobs anticipated, and the number/percent of jobs to be filled by CETA eligible persons. In FY 1981, provided the capability exists, EDA will begin to provide information on the total number of jobs actually created by its public works and business development programs.

B. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), ETA will submit reports to OMB. These reports shall include the total number of employment plans that prime sponsors and other ETA instrumentalities have entered into with EDA's fund recipients, the total number of jobs projected for CETA eligible persons, and the total number of CETA eligible persons actually placed in jobs created by EDA's public works and business development programs.

C. In order to effectively monitor the extent to which CETA eligible persons fill jobs resulting from EDA's projects, ETA and EDA will gather the information delineated above on a project-by-project basis.

VI. Technical Assistance

To facilitate and promote the placement of CETA eligible persons in permanent jobs resulting from EDA assistance, both ETA and EDA agree to provide the following technical assistance:

1. Whenever necessary, the agencies will brief each other's staffs on programmatic and/or procedural changes affecting the implementation of the Employment Initiatives.

2. Jointly develop and publish promotional information on the placement of CETA eligible persons in permanent jobs created by EDA investments.

3. As necessary, jointly conduct interagency workshops/seminars related to the Employment Initiatives, assessing experiences and focusing on techniques and strategies to be used to implement the Employment Initiatives more effectively.

VII. Duration

This agreement shall remain in effect through November 1, 1982. ETA and EDA will, however, jointly review the provisions herein on an annual basis (prior to September 20) in order to make any necessary modifications. The operational procedures being utilized by EDA and ETA to achieve EDA's employment goal will be given particular attention during each annual review.

For the Department of Labor

Assistant Secretary for
Employment and Training

For the Department of Commerce

Assistant Secretary for
Economic Development

INTERAGENCY AGREEMENT
BETWEEN
THE OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT OF THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE DEPARTMENT OF LABOR

I. Purpose

In an effort to implement effectively the Interagency Coordinating Council's (IACC) Employment Initiatives, this agreement specifies the process by which the Employment and Training Administration (ETA) of the Department of Labor (DoL) and the Office of Community Planning and Development (CPD) of the Department of Housing and Urban Development (HUD) will coordinate their activities to ensure that the maximum feasible number of jobs created by HUD's Urban Development Action Grant (UDAG) program go to persons eligible for assistance under the Comprehensive Training Act, as amended (hereinafter referred to as CETA eligible persons).

II. Scope

In order to accomplish the purpose of this agreement, the provisions set forth herein relate to: (1) specific employment goals to be established by HUD/CPD with respect to CETA enrollees or eligible persons; (2) operational procedures to be used by HUD/CPD and ETA in achieving these employment goals; (3) reporting and monitoring, and (4) provision for technical assistance and training to facilitate placing CETA enrollees or eligible persons in permanent jobs created by Federal economic development activities.

III. Employment and Goals

Consistent with UDAG's legislative mandate to increase employment opportunities of low/moderate-income persons, HUD/CPD agrees to the following conditions:

1. As a fiscal 1980 goal, ten percent (10%) of the permanent jobs created by HUD's UDAG program will be filled by CETA enrollees or eligible persons.

2. On September 1st of each year, HUD/CPD will review with the Employment and Training Administration, the current annual employment goal and experience in order to establish the goal for the next fiscal year, beginning October 1.

3. HUD will encourage project applicants to employ CETA enrollees or eligible persons and to set employment goals equivalent to the Agency's overall goals.

IV. Operational Procedures

A. HUD/CPD

To achieve the employment goal that has been established for Fiscal Year 1980, as well as that of succeeding years, HUD/CPD will institute the following operational procedures relative to the UDAG program:

1. Provide ETA with HUD/UDAG Employment Initiatives Coordinator - HUD/CPD will provide the national DoL/ETA Employment Initiatives Coordinator with the name, telephone number and address of the HUD/UDAG Employment Initiatives Coordinator.

2. Employment Plan - Applicants for UDAG assistance, which will result in the direct establishment of new private sector jobs upon completion of the assisted projects, will be expected to complete an employment plan.1/ The applicants' employment plans should provide the following:

   a. Anticipated Total Employment Impacts: Summary of the number and kinds of permanent and temporary private sector jobs to be established as a result of this project.

   b. Extent of CETA Jobs: Estimate of the number/percentage, types and timing of jobs which will be made available to CETA enrollees referred from available training and employment programs or CETA eligible persons.

   c. Local Training and Employment Programs: Provide a description, where relevant, of local training and employment programs and identify, as appropriate, the varied providers of programs (e.g., CETA prime sponsor or other relevant groups) which can best be linked with the proposed UDAG project.

   d. Linkage Program: Define, where relevant, the procedures for recruiting, screening, training and placing referrals from CETA or other relevant local training and employment programs in UDAG-assisted projects. Where relevant, provide a description of the intended roles of the local training provider(s), the grant recipient, the developer and the private sector employers in carrying out the employment plan. Define arrangements made with labor unions, as appropriate.

1/ In some projects, the content of employment plans may vary or may not be necessary because of unique employment requirements and/or project characteristics. In such instances, HUD will require the applicant to provide an explanation as to why an employment plan should vary as to content or is not necessary. HUD must approve changes in employment plan requirements.

e. Resources: Identify, where appropriate, the financial and staffing resources to be used to administer the linkage program.

f. Timetable for Implementation: Define the anticipated timeframe for implementing the various components of the employment plan.

3. Initiate Consultation — When an employment plan is appropriate, applicants for UDAG assistance will initiate consultation with the relevant prime sponsor to inform the prime sponsor of the project's anticipated employment impact, as well as the range of opportunities that could be directed to CETA enrollees or eligible persons. Applicants will be encouraged to engage in continuous consultation throughout the application, project planning, project funding and the implementation stages of the assisted project.

4. Evidence of Prime Sponsor and Private Employers' Involvement — The applicant shall provide evidence concerning consultation with the CETA prime sponsor. Where no CETA relationship or use of CETA enrollees and/or eligible persons is indicated in the application, the applicant shall provide an explanation in the plan. Where CETA relationship is intended, the applicant will be asked to provide evidence of prime sponsor endorsement of the relationship and private employer commitments with respect to use of CETA enrollees and/or CETA eligible persons.

5. Certification — Where relevant, the applicant shall provide appropriate information to the CETA prime sponsor and/or the ETA delivery system in order to certify eligibility of long-term unemployed persons who are not CETA participants, but who, according to the plan, are to be provided jobs in UDAG-assisted projects.

6. Notification — Once it is determined that a project will be funded, which includes a minimum specified number of jobs for CETA enrollees or eligible persons, HUD/CPD will notify DoL, through appropriate means, in order that DoL/ETA, or groups that it assists, may assist the applicant in implementing the employment plan.

B. ETA

The Employment and Training Administration recognizes that linking its employment and training programs with HUD's UDAG Program can result in increased permanent employment opportunities for CETA eligible persons and agrees to facilitate this linkage by taking the lead in coordination of several activities.

*ETA delivery system refers to the Job Service, Work Incentive (WIN) Program, Bureau of Apprenticeship and Training, and Job Corps.

1. Provide HUD with List of Prime Sponsors — The Employment and Training Administration will provide HUD/CPD with an updated list of CETA prime sponsor directors and regional ETA Employment Initiatives Coordinators along with their telephone numbers and addresses.

2. Staff — ETA will require each Regional Administrator and prime sponsor to identify an Employment Initiatives Coordinator to assume responsibility for coordinating activities related to the Employment Initiatives. To the extent possible, personnel assigned these functions at the Federal and local levels should be the same staff that has been assigned to the Private Sector Initiatives Program.

3. Responsibilities of Employment Initiatives Coordinators — The designated Employment Initiatives Coordinators (EIC) assigned to coordinate activities related to the Employment Initiatives in each of the regions by ETA and at the local level by prime sponsors will offer assistance to UDAG applicants in developing and implementing the employment plan delineated above. The Employment Initiatives Coordinators will also be responsible, at their respective levels, for consulting with HUD/CPD to determine the status of a project so that they can initiate required CETA activities (e.g., employment, training, recruiting, screening, referral and counseling services) in a timely fashion, to place CETA eligible persons in permanent jobs created by HUD's UDAG Program.

4. Identifying Alternate Employment/Training Provider — When the local prime sponsor is unable to assist HUD/CPD and applicants in developing and implementing an employment plan, ETA's Employment Initiatives Coordinator will assist in identifying an alternate employment/provider who might provide the necessary services.

5. Assist HUD in Describing CETA Programs and Participants — Consistent with available funds, ETA will assist HUD/CPD in involving its UDAG applicants in employment/training programs by jointly developing and publishing information packets geared to the private sector, focusing on the availability and benefits of employment/training resources, including various tax credits.

6. Certification of Eligibility — Where relevant, prime sponsors and the ETA delivery system, working with HUD/CPD and its fund recipients, will certify the eligibility of persons who fill new and permanent jobs resulting from HUD's UDAG program who are not CETA participants.

V. Reporting/Monitoring

In order to keep the Interagency Coordinating Council (IACC), the Office of Management and Budget (OMB), and each of the participating agencies informed of the progress in achieving the goals of this agreement, HUD/CPD and ETA agree to the following reporting/monitoring provisions:

1. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), HUD/CPD will submit reports to OMB. These reports shall include the total number of projects funded for the six-month and annual periods, the Federal dollars committed, the number of permanent jobs anticipated, the total number of actual jobs created, and the number/percentage of jobs to be filled by CETA eligible persons.

2. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), ETA will submit reports to OMB. These reports shall include the total number of employment plans that prime sponsors and the ETA delivery system have entered into with HUD/CPD and its grantees, the total number of jobs projected for the long-term unemployed, and the total number of persons actually placed in jobs created by HUD's UDAG Program.

VI. Technical Assistance

To facilitate and promote the placement of CETA eligible persons in permanent jobs resulting from HUD/UDAG assistance, both ETA and HUD/CPD agree to provide the following technical assistance:

1. Whenever necessary, the agencies will brief each other's staff on programmatic and/or procedural changes affecting the implementation of the Employment Initiatives.

2. Jointly develop and publish promotional information on the placement of CETA eligible persons in permanent jobs created by HUD's UDAG program.

3. As necessary, jointly conduct workshops/seminars related to the Employment Initiatives, assessing experiences and focusing on techniques and strategies to be used to more effectively implement the Employment Initiatives.

VII. Duration

This agreement shall remain in effect through November 1, 1982. ETA and HUD/CPD will, however, jointly review the provisions herein on an annual basis (prior to September 30) in order to make any necessary

Attachment to
Memorandum of Agreement
Between
Department of Labor,
Economic Development Administration
Department of Housing and Urban Development
Department of Transportation
Community Services Administration
and
Small Business Administration

The signature of the Small Business Administration on the Memorandum of Agreement is subject to the condition that the Small Business Administration's participation in the agreement will be limited to the extent of its authority, legislative or otherwise, with respect to direct loans to small businesses. Specifically, SBA will not be required to impose or otherwise enforce employment goals on its loan applicants or borrowers.

SBA supports the objectives of the Inter-Agency agreement, and therefore desires to participate in the agreement. SBA will do all it can to ensure that its regulations and other procedures do not conflict with the intent of this agreement, namely, to encourage hiring of CETA eligible persons.

William H. Mauk

William H. Mauk, Jr.
Deputy Administrator,
Small Business Administration

Memorandum of Agreement
Between
Department of Labor,
Economic Development Administration,
Department of Housing and Urban Development,
Department of Transportation,
Community Service Administration,
and
Small Business Administration

I. Purpose. In an effort to implement more effectively the President's Urban Policy announced on March 27 1978, this agreement provides the framework for improving coordination among the agencies which have a specific mandate to improve the economic and social conditions of our communities and to provide employment and training programs to their unemployed and disadvantaged residents.

The agencies party to this agreement agree to review their guidelines and regulations to remove obstacles to local coordination of their programs, and to undertake other activities, including information sharing, technical assistance and demonstration, at both the national and local levels, to promote programs and greater job creation (particularly private sector jobs) for urban residents, especially the unemployed and economically disadvantaged. The agencies also agree to establish as a goal that a proportion of the local jobs directly created by their programs will go to CETA eligible persons. The proportions will be mutually agreed upon by each agency and the Employment and Training Administration of the Department of Labor.

Therefore, this agreement describes procedures and actions to be undertaken, to the extent of their authority and resources, by the Employment and Training Administration of the Department of Labor (DOL), the Economic Development Administration (EDA) of the Department of Commerce, the Department of Housing and Urban Development (HUD), the Department of Transportation (DOT), the Small Business Administration (SBA), and the Community Services Administration (CSA), hereinafter referred to as the agencies, to enable and to encourage the more coordinated use by local recipients of assistance provided under the Comprehensive Employment and Training Act Amendments of 1978 (P.L. 95-524),

administered by DOL; the Public Works and Economic Development Act of 1965, as amended (P.L. 89-136), administered by EDA; Title I of the Housing and Community Development Act of 1977 (P.L. 95-128), administered by HUD; the Surface Transportation Assistance Act, Section 302(a)(1)(D), (P.L. 95-599), administered by DOT; Title VII of the Economic Opportunity Act, as amended, (P.L. 95-568), administered by CSA; and the Small Business Act (P.L. 95-536) and the Small Business Investments Act of 1958 (P.L. 85-699), administered by the Small Business Administration, hereinafter referred to as the Acts.

II. Scope. In order to accomplish the purposes of this agreement, the actions set forth in this agreement relate to (1) the administrative arrangements for implementing the agreement; (2) the framework for programs to demonstrate interagency coordination in various locations and with variable mixes of agencies and programs; (3) information sharing at the Federal, State and local levels; (4) the provision of technical assistance; and (5) the provision of other activities.

III. Special Provisions.

A. Administrative Arrangements.

Recognizing that this agreement is dependent on a commitment to an interagency approach for accomplishing its purpose of promoting greater job creation for unemployed and disadvantaged urban residents, the agencies agree to the following procedures:

1. The Interagency Working Group on Economic Development/Private Sector Jobs (hereinafter referred to as the Work Group) will be the level at which policy decisions relating to interagency activities will be made. These decisions will cover the following areas:

   a. Assignment of responsibility for developing, monitoring and reviewing interagency programs and activities, including technical assistance and demonstration programs;

b. Methods for selecting grantees for demonstration grants; and

c. Funding arrangements for Work Group demonstrations, technical assistance, and research and evaluation.

2. The agencies will require their local grantees to work toward interagency cooperation and coordination, particularly with the CETA program, in order to meet the goal of increasing training and employment opportunities for unemployed and economically disadvantaged community residents.

B. Information Sharing - Federal Level.

In order to accomplish better local coordination of DOL activities with the other agencies in this agreement, each agency agrees to the following general provisions:

1. To establish regular procedures within the relevant offices of each agency party to this agreement to remove or prevent impediments in existing or proposed guidelines and regulations to the coordinated local use of assistance provided under the Acts, to the extent permitted by law and consistent with the accomplishment of program objectives. In order to accomplish this:

a. Each agency will establish standard procedures in its regulatory processes for the interagency review of draft regulations proposed for issuance under the Act, including the exchange of schedules of upcoming regulatory actions, so that each agency will have the opportunity at an early stage to identify potential regulations imposing unnecessary impediments to the coordinated use at the local level of assistance under these programs. Whenever possible and appropriate, each agency will provide the others with opportunities to review proposed rules prior to the publication of the rules for comment.

b. When rules are exchanged or published for comment, each agency will actively seek opportunities for encouraging coordination in their regulations. In addition, each agency will carefully review its own and the other agencies' rules for impediments to coordination, and will confer to identify appropriate means for eliminating or minimizing such impediments to the greatest extent possible and in a manner which does not prevent the effective operation of programs.

2. To establish regular procedures for systematic sharing of program information among all the agencies and to provide training and information to Federal agencies' staffs to increase their understanding of these programs. With this information the Federal agencies' staffs should be able to assist local entities in coordinating local programs.

C. Information Sharing - State and Local Level.

It is imperative that local recipients of assistance under these Acts have knowledge about all of the programs reaching their communities through Federal grants and programs administered by the agencies. Therefore, each agency agrees to enhance this knowledge by means of the following actions:

1. In order to make sure that recipients of assistance under these Acts are well informed of assistance available under the Comprehensive Employment and Training Act, each agency will inform prime sponsors or other local DOL instrumentalities of project awards within their jurisdictions or within the labor market area of which their jurisdiction is a part. Such notification would be made immediately following the public announcement of grant awards and

prior to any subsequent negotiation by each agency and the recipients concerning the actual award. The Department of Labor will provide the other agencies with the names and addresses of its prime sponsors and other DOL instrumentalities.

2. In order to assure that prime sponsors, Private Industry Councils (PIC's) and other local DOL instrumentalities have an ample chance to plan for the potential impacts of local projects funded by the other agencies, DOL will encourage its prime sponsors and local DOL instrumentalities to seek out such project grantees and confer with them about the opportunities for incorporating in the projects employment and training assistance for the economically disadvantaged under the Comprehensive Employment and Training Act. In addition, DOL will advise its prime sponsors and other local DOL instrumentalities to provide information about local training providers to the local grantees of other Federal agencies.

3. All of the agencies will notify their program constituents that each agency has agreed on the goal of giving a proportion of the jobs directly created by these Federal programs to unemployed and economically disadvantaged persons.

4. Each agency agrees to share information on appropriate preapplication or preaward procedures for Federal grants and special programs in order to promote local coordination and/or linkages in developing applications or meeting conditions for awards.

D. Technical Assistance.

1. To the extent of the authority granted each agency by the Acts, the agencies will jointly or bilaterally support a program of technical assistance for prime sponsors and other appropriate local instrumentalities eligible for assistance under these Acts, with the following objectives:

a. To assist applicants in incorporating DOL employment and training assistance into the projects of the other agencies.

b. To prepare and disseminate guidance material for all prime sponsors and other local DOL instrumentalities and for the applicants of the other agencies' programs, identifying methods whereby each agency's assistance can be coordinated, and the potential benefits of such coordination. These materials shall describe:

   (1) Actual, ongoing coordinated uses of grants and assistance and the benefits resulting from this coordination; and

   (2) Available opportunities for coordination which are not now recognized or utilized at the local level, but which should be.

c. To identify regulatory impediments to better coordination which are not already the subject of agency and interagency efforts to streamline and otherwise improve the regulatory process.

The Work Group, shall determine each agency's share in the costs incurred in offering the technical assistance described above, and decide which agency(ies) shall manage the projects. (See Section III. A. of this agreement.)

The agencies also agree to hold conferences and to participate in otherwise scheduled conferences as appropriate at both the regional and national levels with the agencies' national and regional staffs and with representatives of the agencies' constituencies, in order to share information on interagency linkage opportunities and to provide technical assistance regarding ways to work with each agency's programs.

E. Demonstration Program.

The signatory agencies agree to undertake a number of demonstration programs to illustrate the mechanics of local coordination of Federal grant programs, and the benefits in terms of increasing the leverage of Federal funds locally, of assuring that the maximum feasible number of jobs created under federally-assisted community and economic development and transportation projects go to the economically disadvantaged, and of providing the maximum feasible opportunity to small, minority and community entrepreneurs to participate in the spin-off business opportunities created by such projects. To the extent possible, the agencies will share the cost of the demonstrations and their monitoring and/or evaluation, roughly in proportion in their degree in involvement. The manner of implementation, monitoring and evaluation will be mutually agreed upon.

The agencies agree to conduct demonstration programs involving two or more agencies simultaneously in which the local grantees seek to develop strategies and programs demonstrating interagency coordination and cooperation. These demonstrations will be monitored and/or evaluated to determine their replicability to other locations. The agencies agree to provide technical assistance (multilaterally or individually as needed) in order to assist the demonstrations. (See Part D.1.a.)

F. Other Activities.

The signatory agencies agree that other activities such as research, development and evaluation, special surveys and other activities may be jointly undertaken within the framework of this agreement.

IV. Duration of Agreement. This agreement shall remain in force for a period of 3 years. While it is in force, each of the signatories agrees to maintain active personal participation and that of his or her agency in implementing the agreement.

Accepted for the
Department of Labor

Assistant Secretary for
Employment and Training

Accepted for the Economic
Development Administration
Department of Commerce

Assistant Secretary for
Economic Development

Accepted for the Department
of Housing and Urban
Development

Assistant Secretary for
Community Planning and
Development

Accepted for the Department
of Transportation

Assistant Secretary for Budget
and Programs

Accepted for the Community
Services Administration

Deputy Director, Community
Services Administration

Accepted for the Small
Business Administration

Deputy Administrator,
Small Business Administration
(See Attachment)

INTERAGENCY AGREEMENT
BETWEEN
THE COMMUNITY SERVICES ADMINISTRATION
AND
THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE DEPARTMENT OF LABOR

I. Purpose

In an effort to implement effectively the Interagency Coordinating Council's (IACC) Employment Initiatives, this agreement specifies the process by which the Employment and Training Administration (ETA) of the Department of Labor (DoL) and the Community Services Administration (CSA) will coordinate their activities to ensure that the maximum feasible number of jobs created by CSA's economic development programs (Title VII) go to persons eligible for assistance under the Comprehensive Employment and Training Act, as amended, or persons who are currently CETA participants (hereafter referred to as "CETA eligible persons").

II. Scope

In order to accomplish the purpose of this agreement, the provisions set forth herein relate to (1) specific employment goals to be established by CSA with respect to CETA eligible persons, (2) operational procedures to be used by CSA and ETA in achieving these employment goals, (3) reporting and monitoring, and (4) provision for technical assistance and training to facilitate placing CETA eligible persons in permanent jobs created by Federal economic development activities.

III. Employment Goals

Consistent with its Title VII legislative mandate to increase employment opportunities for the long-term unemployed, the Community Services Administration, in consultation with the Employment Training Administration, agrees to the following provisions:

1. As a FY 1980 goal, 25% of the permanent jobs created by its economic development program will be filled by CETA eligible persons;

2. To the extent possible, require employment goals equivalent to the agency's overall goal be established for each project having an employment impact; and

3. By no later than September 1 of each year, in conjunction with the Employment and Training Administration, CSA will review the current annual employment goal and experience and set the goal for the next fiscal year no later than September 20.

IV. Operational Procedures

A. CSA

To achieve the employment goal that has been established for FY 1980 as well as those of succeeding years, the Community Services Administration will institute the following operational procedures:

1. Provide ETA with List of CBOs - CSA will provide each ETA Regional Administrator with an updated list of Community Based Organizations (CBOs) in their respective Federal region that are eligible to receive assistance under CSA's Title VII program, as well as the national CSA Employment Initiatives Coordinator. The telephone numbers and addresses of each of these persons will also be included on this list.

2. Initiate Consultation - When a CSA funded project will result in the creation of new permanent jobs, an employment plan will be developed by the CBO, working in conjunction with CSA staff, initiating formal consultation with a CETA prime sponsor or other employment/training provider. This formal consultation shall begin immediately after a CBO Board of Directors approves a proposed project. CSA will advise its applicants (CBOs) to consult first with the CETA prime sponsor in order to target a portion of the jobs created to CETA eligible persons. Consultation is expected to continue throughout the pre-application, application, project funding and implementation stages.

3. Employment Plan - Applicants seeking assistance under CSA's economic development program (Title VII - Venture capital for business endeavors) will be expected to complete an employment plan as part of their application for assistance when new, permanent jobs will result from such support.

The determination as to whether new, permanent jobs will be created will be determined by CSA's staff and applicant during the pre-application stage. If an employment plan is not appropriate, an explanation of why it is not must be submitted with the application. The employment plan shall include the following elements:

(a) The total number and titles of jobs to be created by the project;

(b) The total number, specific titles, and timing of jobs to be made available to CETA eligible persons;

(c) The skill requirements for the jobs that are being made available to CETA eligible persons;

(d) The Linkage Process:

(1) Name of employment and training provider (e.g., CETA prime sponsor or CETA subgrantee) that is assisting applicant in developing and implementing the employment plan. (Include name of responsible person, address, and telephone number.)

(2) Identification of employment and training programs to be applied in preparing and/or referring qualified persons to available jobs. Indication of how they will be used and any special conditions required by the employer (e.g., number of referrals per vacancy to be filled, timing of referrals).

(3) Identification of the roles and responsibilities of the participants in the employment plan (i.e., CSA applicant; CSA beneficiary, if different from applicant; the CETA prime sponsor or other employment and training provider; and CBO, if not the applicant).

(4) Indication of the procedure and schedule for implementing the employment plan; and

(e) Provide the signatures of persons or agency representatives party to the employment plan (i.e., CSA applicant; CSA beneficiary, if different from applicant; the CETA prime sponsor or other employment and training provider; and CBO, if not the applicant).

4. Notification - Upon approval of a project which includes or will include an employment plan, CSA staff will notify the CETA prime sponsor or other employment/training provider signatory to the employment plan, as well as the Department of Labor's Regional Employment Initiatives Coordinator in order to activate the employment/training system to prepare CETA eligible persons for the jobs.

5. Certification of Eligibility - CSA and its fund recipients will work with CETA prime sponsors and the ETA delivery system* in certifying the eligibility of persons who may be eligible for CETA assistance but are not CETA participants, when such persons are to fill jobs resulting from CSA's projects.

6. Identifying Alternate Employment/Training Provider - When the local prime sponsor is unable to assist CSA's staff and applicant in developing and implementing an employment plan, CSA's staff may call upon the ETA Employment Initiatives Coordinator to discuss an alternate employment/training provider who might provide the necessary services.

B. ETA

The Employment and Training Administration recognizes that linking its employment and training programs with the Community Services Administration's economic development program can result in increased permanent employment opportunities for CETA eligible persons and agrees to facilitate this linkage by undertaking several activities:

1. Provide CSA with List of Prime Sponsors - The Employment and Training Administration will provide CSA with an updated list of CETA prime sponsor directors and regional ETA Employment Initiatives Coordinators, along with their telephone numbers and addresses.

*ETA delivery system refers to the Job Service, Work Incentive (WIN) Program, Bureau of Apprenticeship and Training, and Job Corps.

2. S[illegible] ETA will require each Regional Administrator a[illegible]e sponsor to identify an Employment Initiatives Coordinator to assume responsibility for coordinating activities related to the Employment Initiatives. To the extent possible, personnel assigned these functions at the Federal and local levels should be the same staff that have been assigned to the Private Sector Initiatives Program.

3. Responsibilities of Employment Initiatives Coordinator - The designated Employment Initiatives Coordinator assigned to coordinate activities related to the Employment Initiatives in each of the regions by ETA and at the local level by prime sponsors will assist CSA staff and applicant in developing and implementing the employment plan delineated above. The Employment Initiatives Coordinators will also be responsible, at their respective levels, for monitoring the progress of the CSA funded project in order to undertake the necessary CETA activities (e.g. employment, training, reporting, screening, referral and counselling) at the appropriate time to place CETA eligible persons in permanent jobs created by CSA's program.

4. Identifying Alternate Employment/Training Provider - When the local prime sponsor is unable to assist CSA's staff and applicant in developing and implementing the employment plan, the CSA staff may call upon the ETA Employment Initiatives Coordinator to discuss an alternate employment/training provider who might provide the necessary services.

5. Assist CSA in Describing CETA Programs and Participants - Consistent with available funds, ETA will assist CSA in involving its applicants in employment/training programs by developing and publishing information packets geared to the private sector, focusing on the availability and benefits of employment/training resources, including various tax credits.

6. Certification of Eligibility - Prime sponsors and the ETA delivery system, working with CSA and its fund recipients, will certify the eligibility of all persons who fill jobs resulting from CSA's projects.

V. Reporting/Monitoring

In order to keep the Interagency Coordinating Council, the Office of Management and Budget (OMB), and each of the participating agencies informed of the progress being made in filling permanent jobs which result from CSA investments with CETA eligible persons, CSA and ETA agree to the following reporting/monitoring provisions:

A. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), CSA will submit reports to OMB. These reports shall include the total number of projects funded for the six-month and annual periods, the Federal dollars committed by program type, the number of permanent jobs anticipated, the total number of actual jobs created, and the number/percent of jobs to be filled by CETA eligible persons.

B. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), ETA will submit reports to OMB. These reports shall include the total number of employment plans that prime sponsors and the ETA delivery system have entered into with CSA and its grantees, the total number of jobs projected for CETA eligible persons, and the total number of CETA eligible persons actually placed in jobs created by CSA's economic development program.

VI. Technical Assistance

To facilitate and promote the placement of CETA eligible persons in permanent jobs resulting from CSA assistance, both ETA and CSA agree to provide the following technical assistance:

1. Whenever necessary, the agencies will brief each other's staffs on programmatic and/or procedural changes affecting the implementation of the Employment Initiatives;

2. Jointly develop and publish promotional information on the placement of CETA eligible persons in permanent jobs created by CSA investments; and

3. As necessary, jointly conduct interagency workshops/seminars related to the Employment Initiatives, assessing experiences and focusing on techniques and strategies to be used to implement the Employment Initiatives more effectively.

VII. Duration

This agreement shall remain in effect through November 1, 1982. ETA and CSA will, however, jointly review the provisions herein on an annual basis (prior to September 30) in order to make any necessary modifications. The operational procedures that are being utilized by CSA and ETA to achieve CSA's employment goal will be given particular attention during each annual review.

For the Department of Labor

Ernest G. Green
Assistant Secretary for Employment and Training

For the Community Services Administration

Deputy Director

INTERAGENCY AGREEMENT
BETWEEN
THE URBAN MASS TRANSPORTATION ADMINISTRATION OF THE DEPARTMENT OF TRANSPORTATION
AND
THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE DEPARTMENT OF LABOR

I. Purpose

In an effort to effectively implement the Interagency Coordinating Council's Employment Initiatives, this agreement specifies the process by which the Employment and Training Administration (ETA) of the Department of Labor (DOL) and the Urban Mass Transportation Administration (UMTA) of the Department of Transportation (DOT) will coordinate their activities to ensure that the maximum feasible number of jobs created by UMTA's Urban Initiatives Program go to the long term unemployed. For purposes of this agreement, "long term unemployed" is defined as persons who are eligible to obtain assistance under the Comprehensive Employment and Training Act (CETA).

II. Scope

In order to accomplish the purpose of this agreement, the provisions set forth herein relate to: (1) specific employment goals to be established by UMTA with respect to the long term unemployed; (2) operational procedures to be used by UMTA and ETA in achieving these employment goals; (3) reporting and monitoring; and (4) provision for technical assistance and training to facilitate placing long term unemployed in permanent jobs created by federally assisted mass transportation projects.

III. Employment and Goals

Consistent with the President's national urban policy to stimulate private investments as well as increase employment opportunities in urban areas, the Urban Mass Transportation Administration, in consultation with the Employment and Training Administration, agrees to the following provisions:

(1) As a fiscal 1980 goal, 10-15% of the permanent jobs created by its Urban Initiatives Program will be filled by the long term unemployed.

(2) By no later than September 1 of each year, in conjunction with the Employment and Training Administration, UMTA will review the current annual employment goal and experience, and establish its goal for the next fiscal year no later than September 20.

IV. Operational Procedures

A. UMTA

To achieve the employment goal that has been established for FY 1980 as well as those of succeeding years, UMTA will institute the following operational procedures relative to the Urban Initiatives Program:

1. Provide ETA with List of Employment Initiatives Coordinators - UMTA will provide each ETA Regional Administrator with the names, addresses and telephone numbers of the UMTA Employment Initiatives Coordinators in the respective region.

2. Certification of Intent to Establish Project Employment Goals - Applicants seeking assistance under UMTA's Urban Initiatives Program will, as a criterion of participation, be expected to make a certification at the pre-application stage (project data sheet submission) that if new, permanent jobs result from such support, 10-15% will be earmarked for CETA eligible persons.

   UMTA will review the pre-application data to determine if new permanent jobs will be created as a result of the project. UMTA's Regional Employment Initiatives Coordinator will also notify the relevant ETA Regional Employment Initiatives Coordinator of the project and its estimated employment impacts. The ETA representative will be invited to provide comments as to the viability of projects' employment generating possibilities and their potential impact on local unemployment. ETA comments, when provided, will be incorporated into the pre-application data to be considered during project review and evaluation. UMTA will review the applicant's certification in addition to other project support data in making its determination as to which projects to advance to the final application stage.

3. Initiate Consultation - Upon notifying an applicant to prepare a final application, the applicant working in conjunction with the UMTA Employment Initiative Coordinator, will develop an employment plan and initiate formal consultation with a CETA prime sponsor or other employment/training provider. UMTA will advise its applicant to consult first with the CETA prime sponsor. This consultation is expected to continue as required, throughout the application, project funding, and implementation stages.

4. Employment Plan - Applicants from whom UMTA elects to solicit final applications for Urban Initiatives assistance will be required to prepare an employment plan when new permanent jobs will be created. If an employment plan is not appropriate, an explanation of why it is not must be submitted with the application. The employment plan shall include the following elements:

a. The total number and titles (and/or description) of jobs to be created by the project.

b. The goals for the total number, specific titles, and timing of jobs to be made available to CETA eligible persons.

c. The skill requirements for the jobs that are being made available to CETA eligible persons.

d. The linkage process:

i. Name of the CETA prime sponsor or other employment/training provider who is assisting the applicant in developing and implementing this employment plan. (Including name of responsible person, address, and telephone number.)

ii. Identification of any employment and training programs to be applied to preparing and/or referring qualified persons to available jobs. Indication of how they will be used and any special conditions required by the employer (e.g., number of referrals per vacancy to be filled, timing of referrals).

iii. Identification of the roles and responsibilities of the participants in the employment plan (i.e., UMTA applicant; UMTA beneficiary, if different from applicant; CETA prime sponsor or other employment and training provider; and local transit agency, if not the applicant).

iv. Indication of the procedure and schedule for implementing the employment plan.

v. Providing the signatures of persons or agency representatives party to the employment plan (i.e., UMTA beneficiary, if different from applicant; CETA prime sponsor or other employment and training provider; and local transit agency, if not the applicant).

5. Contingent Project Approvals - If the applicant certifies that the project will conform to program employment goals, but is unable to complete an employment plan by the time of scheduled grant award, UMTA may elect to approve the project contingent upon subsequent receipt of a satisfactory plan. Contract language will be included however, which would withhold construction funds until an employment plan acceptable to UMTA is provided.

UMTA may elect to award architectural and engineering funds in order to assess feasibility of a project prior to concurring in an employment plan, provided the project sponsor certifies that new permanent jobs resulting from subsequent Urban Initiatives construction funding will be consistent with the program employment goals.

6. Notification - Upon approval of a project which includes or will include an employment plan, UMTA in conjunction with its grantee, will notify the CETA prime sponsor or other employment/training provider signatory to the employment plan, as well as the ETA Employment Initiatives Coordinator.

7. Certification of Eligibility - UMTA and its grantee will provide the information necessary to assist the CETA prime sponsors and the ETA delivery system* in certifying the eligibility of persons who may be eligible for CETA assistance but are not CETA participants when such persons are to fill new and permanent jobs resulting from UMTA's Urban Initiatives projects.

8. Identifying Alternate Employment /Training Provider - When the local prime sponsor is unable to assist UMTA's staff and applicant in developing and implementing an employment plan, the UMTA staff may call upon the ETA Employment Initiatives Coordinator to discuss an alternate employment/training provider who might provide the necessary services.

B. ETA

The Employment and Training Administration recognizes that linking its employment and training programs with UMTA's Urban Initiatives Program can result in increased permanent employment opportunities for CETA eligible persons and agrees to facilitate this linkage by taking the lead in coordination of several activities.

1. Provide UMTA with List of Prime Sponsors - The Employment and Training Administration will provide each UMTA Regional Administrator with an updated list of CETA prime sponsor directors and regional ETA Employment Initiatives Coordinators along with their telephone numbers and addresses.

2. Staff - ETA will require each Regional Administrator and prime sponsor to identify an Employment Initiatives Coordinator to assume responsibility for coordinating activities related to the Employment Initiatives. To the extent possible, personnel assigned these functions at the Federal and local levels should be the same staff that has been assigned to the Private Sector Initiatjves Program.

*ETA delivery system refers to the Job Service, Work Incentive WIN) Program, Bureau of Apprenticeship and Training, and Job Corps

3. Responsibilities of Employment Initiatives Coordinators - The designated Employment Initiatives Coordinators (EIC) assigned to coordinate activities related to the Employment Initiatives in each of the regions by ETA and at the local level by prime sponsors will assist UMTA's staff and applicants in developing and implementing the employment plan delineated above. The Employment Initiatives Coordinators will also be responsible, at their respective levels, for consulting with the UMTA Employment Initiatives Coordinators to determine the status of a project so that they can initiate required CETA activities (e.g. employment, training, recruiting, screening, referral and counseling services) in a timely fashion, to place CETA eligible persons in permanent jobs created by UMTA's Urban Initiatives Program.

4. Identifying Alternate Employment/Training Provider -When the local prime sponsor is unable to assist UMTA's staff and applicants in developing and implementing an employment plan, ETA's Employment Initiatives Coordinator will assist in identifying an alternate employment/provider who might provide the necessary services.

5. Assist UMTA in Describing CETA Programs and Participants - Consistent with available funds, ETA will assist UMTA in involving its applicants in employment/training programs by jointly developing and publishing information packets geared to the private sector, focusing on the availability and benefits of employment/training resources, including various tax credits.

6. Certification of Eligibility - Prime sponsors and the ETA delivery system, working with UMTA and its fund recipients, will certify the eligibility of all persons who fill new and permanent jobs resulting from UMTA's Urban Initiatives projects.

V. Reporting/Monitoring

In order to keep the Interagency Coordinating Council (IACC), the Office of Management and Budget (OMB), and each of the participating agencies informed of the progress in achieving the goals of this agreement, UMTA and ETA agree to the following reporting/monitoring provisions:

A. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), UMTA will submit reports to OMB. These reports shall include the total number of projects funded for the six-month and annual periods, the federal dollars committed, the number of permanent jobs anticipated, the total number of actual jobs created, and the number/percentage of jobs to be filled by CETA eligible persons.

B. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), ETA will submit reports to OMB. These reports shall include the total number of employment plans that prime sponsors and the ETA delivery system have entered into with UMTA and its grantees, the total number of jobs projected for the long term unemployed, and the total number of persons actually placed in jobs created by UMTA's Urban Initiatives Program.

VI. Technical Assistance

To facilitate and promote the placement of CETA eligible persons in permanent jobs resulting from UMTA assistance, both ETA and UMTA agree to provide the following technical assistance:

A. Whenever necessary, the agencies will brief each other's staff on programmatic and/or procedural changes affecting the implementation of the Employment Initiatives.

B. Jointly develop and publish promotional information on the placement of CETA eligible persons in permanent jobs created by UMTA investments.

C. As necessary, jointly conduct interagency workshops/seminars related to the Employment Initiatives, assessing experiences and focusing on techniques and strategies to be used to more effectively implement the Employment Initiatives.

VII. Duration

This agreement shall remain in effect through November 1, 1982. ETA and UMTA will, however, jointly review the provisions herein on an annual basis (prior to September 30) in order to make any necessary modifications. The operational procedures that are being utilized by UMTA and ETA to achieve UMTA's employment goal will be given particular attention during the annual review.

For the Department of Labor

Ernest Green

Assistant Secretary for Employment
Ernest Green
Date: 11/26/79

For the Department of Transportation

Lillian C. Liburdi

Acting Deputy Administrator
Lillian L. Liburdi
Date:

INTERAGENCY AGREEMENT

BETWEEN

THE FARMERS HOME ADMINISTRATION OF THE DEPARTMENT OF AGRICULTURE

AND

THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE DEPARTMENT OF LABOR

I. Purpose

In an effort to effectively implement the Interagency Coordinating Council's Employment Initiatives, this agreement specifies the process by which the Employment and Training Administration (ETA) of the Department of Labor (DOL) and the Farmers Home Administration (FmHA) of the Department of Agriculture will coordinate their programs to ensure that the maximum feasible number of jobs created by FmHA's Business and Industrial Loan (B&I), Community Facilities Loan (CFL), Water and Waste Disposal Loans and grants (WWD), and Industrial Development Grant (IDG) programs* go to persons eligible for assistance under the Comprehensive Employment and Training Act, as amended, or persons who are currently CETA participants (hereafter referred to as CETA eligible persons).

II. Scope

In order to accomplish the purpose of this agreement, the provisions set forth herein relate to (1) specific employment goals to be established by FmHA with respect to CETA eligible persons; (2) operational procedures to be used by FmHA and ETA in achieving these employment goals; (3) reporting and monitoring; and (4) provision for technical assistance and training to facilitate placing CETA eligible persons in permanent jobs created by Federal economic development activities.

III. Employment Goals

Consistent with its legislative mandate to stimulate commercial and industrial development in rural areas as well as to increase employment opportunities for the long-term unemployed, FmHA agrees to the following provisions:

1. As a Fiscal 1980 goal, 20 percent of the permanent jobs created by its developmental programs will be filled by CETA eligible persons;

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*These programs are subsequently referred tc as FmHA's developmental programs.

2. As a minimum, require that employment goals equivalent to the agency's overall goal be established for projects having an employment impact; and

3. By no later than September 1 of each year, in conjunction with the ETA, FmHA will review the current annual employment goal and experience and set the goal for the next fiscal year by September 20.

IV. Operational Procedures

A. FmHA

To achieve the employment goal that has been established for FY 80 as well as those of succeeding years, FmHA will institute the following operational procedures:

1. Provide ETA with list of Employment Initiatives Coordinators - FmHA will provide each ETA Regional Administrator with the names, addresses, and telephone numbers of the State FmHA Employment Initiatives Coordinators in their respective region.

2. Initiate Consultation - When an FmHA funded project will result in the creation of new, permanent jobs, an employment plan will be developed by the FmHA applicant, working in conjunction with appropriate FmHA staff, initiating formal consultation with a CETA prime sponsor or other employment/training provider as early as possible during project development (pre-application, application stages). FmHA's staff will advise the applicant to consult first with the CETA prime sponsor in order to target a portion of the jobs created to CETA eligible persons. Continuing consultation is expected throughout the pre-application, application, project funding, and project implementation stages.

3. Employment Plan - Applicants seeking assistance under FmHA's developmental programs, will be expected to complete an employment plan as part of their application for assistance when new, permanent, jobs will result from such support. The determination as to whether new, permanent jobs will be created will be made by FmHA staff and the applicant as early as possible during project development (pre-application, application stage). If an employment plan is not appropriate, an explanation of why it is not must be submitted with the application. The employment plan shall include the following elements:

   a. The total number and titles of jobs to be created by the project;

b. The total number, specific titles and timing of jobs to be made available to CETA eligible persons;

c. The skill requirements for the jobs that are being made available to CETA eligible persons;

d. The Linkage Process:

1. Name of employment and training provider (e.g., CETA prime sponsor or CETA subgrantee) that is assisting the applicant in developing and implementing the employment plan. (Include name of responsible person, address, and telephone number.)

2. Identification of employment and training programs to be applied in preparing and/or referring qualified persons to available jobs. Indication of how they will be used and any special conditions required by the employer (e.g., number of referrals per vacancy to be filled, timing of referrals).

3. Identification of the roles and responsibilities of the participants in the employment plan (i.e., FmHA applicant; FmHA beneficiary, if different from applicant; CETA prime sponsor or other employment and training provider).

4. Indication of procedure and schedule for implementing the employment plan.

e. Provide the signature of persons or agency representatives party to the employment plan (i.e., FmHA applicant; FmHA beneficiary, if different from applicant; CETA prime sponsor or other employment and training provider).

4. Notification - Upon approval of a project which includes or will include an employment plan, FmHA's staff will notify the CETA prime sponsor or other employment/training provider signatory to the employment plan, as well as the ETA Regional Employment Initiatives Coordinator in order to activate the employment/training system to prepare CETA eligible persons for the jobs.

5. Certification of Eligibility - FmHA and its fund recipients will work with CETA prime sponsors and the ETA delivery system* in certifying the eligibility of persons who may be eligible for CETA assistance, but are not CETA participants when such persons are to fill jobs resulting from EDA's projects.

6. Identifying Alternate Employment/Training Provider - When the local prime sponsor is unable to assist FmHA's staff and applicant in developing and implementing an employment plan, FmHA's staff may call upon the ETA Employment Initiatives Coordinator to discuss an alternate employment/training provider who might provide the necessary services.

B. ETA

The Employment and Training Administration recognizes that linking its employment and training programs with FmHA's development programs can result in increased permanent employment opportunities for CETA eligible persons, and agree to facilitate this linkage by undertaking several activities:

1. Provide FmHA with List of Prime Sponsors - The Employment and Training Administration will provide each FmHA State Director with an updated list of CETA prime sponsor directors and regional ETA Employment Initiatives Coordinators, along with their telephone numbers and addresses.

2. Staff - ETA will require each Regional Administrator and prime sponsors to identify an Employment Initiatives Coordinator to assume responsibility for coordinating activities related to the Employment Initiatives. To the extent possible, personnel assigned these functions at the Federal and local levels should be the same staff that has been assigned to the Private Sector Initiatives Program.

3. Responsibilities of Employment Initiatives' Coordinators - The designated Employment Initiatives Coordinators assigned to coordinate activities related to the Employment Initiatives in each of the regions by ETA and at the local level by prime sponsors will assist FmHA's staff and applicant in developing and implementing the employment plan delineated above. The Employment Initiatives Coordinator will also be responsible, at their respective levels, for monitoring the progress of the FmHA funded projects in

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*ETA delivery system refers to the Job Service, Work Incentive (WIN) Program, Bureau of Apprenticeship and Training, Job Corps.

order to undertake the necessary CETA activities (e.g. employment, training, recruiting, screening, referral, and counseling services) at the appropriate time to place CETA eligible persons in permanent jobs created by FmHA's programs.

4. Identifying Alternate Employment/Training Provider - When the local prime sponsor is unable to assist FmHA's staff and applicant in developing and implementing an employment plan, the FmHA's staff may call upon the ETA Employment Initiatives Coordinator to discuss an alternate employment/training provider who might provide the necessary services.

5. Assist FmHA in Describing CETA Programs and Participants - Consistent with available funds, ETA will assist FmHA in involving its applicants in employment/training programs by developing and publishing information packets geared to the private sector, focusing on the availability and benefits of employment/training resources, including various tax credits.

6. Certification of Eligibility - Prime sponsors and the ETA delivery system, working with FmHA and its fund recipients, will certify the eligibility of all persons who fill jobs resulting from FmHA's projects.

V. Reporting/Monitoring

In order to keep the Interagency Coordinating Council (IACC), the Office of Management and Budget (OMB), and each of the participating agencies informed of the progress being made in filling permanent jobs which result from FmHA's investments with CETA eligible persons, FmHA and ETA agree to the following reporting/monitoring provisions:

A. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), FmHA will submit reports to OMB. These reports shall include the total number of projects funded for the six month and annual periods, the Federal dollars committed by program type, the number of permanent jobs anticipated, the total number of actual jobs created, and the number/percent of jobs to be filled by CETA eligible persons.

B. Effective April 1, 1980, and on a semi-annual basis thereafter (October 1 and April 1), ETA will submit reports to OMB. These reports shall include the total number of employment plans that prime sponsors and other ETA instrumentalities have entered into with FmHA and its grantees, the total number of jobs projected for CETA eligible persons, and the total number of CETA eligible persons actually placed in jobs created by FmHA's developmental programs.

VI. Technical Assistance

To facilitate and promote the placement of CETA eligible persons in permanent jobs resulting from FmHA assistance, both ETA and FmHA agree to provide the following technical assistance:

1. Whenever necessary, the agencies will brief each other's staff on programmatic and/or procedural changes affecting the implementation of the Employment Initiatives.

2. Jointly develop and publish promotional information on the placement of CETA eligible persons in permanent jobs created by FmHA investments.

3. As necessary, jointly conduct interagency workshops/ seminars related to the Employment Initiatives, assessing experiences and focusing on techniques and strategies to be used to implement the Employment Initiatives more effectively.

VII. Duration

This agreement shall remain in effect through November 1, 1982. ETA and FmHA will, however, jointly review the provisions herein on an annual basis (prior to September 30) in order to make any necessary modifications. The operational procedures that are being utilized by FmHA and ETA to achieve FmHA's employment goal will be given particular attention during each annual review

FOR THE DEPARTMENT OF LABOR

Ernest G. Green

Assistant Secretary for
Employment and Training

11/26/79

FOR THE DEPARTMENT OF AGRICULTURE

Alex P. Mercure

Assistant Secretary for
Rural Development

11/16/79

Appendix B: Coordinated Rural Economic Development Effort (CREDE)

FACT SHEET

COOPERATIVE RURAL ECONOMIC DEVELOPMENT EFFORT

"CREDE"

Purpose--Accelerated development of rural economic development efforts among Title VII CDCs, and national mechanisms

- An interagency response to the Administration's call for cooperative action toward rural development.
- A Memorandum of Agreement between Community Services Administration, Office of Economic Development, Department of Agriculture, Farmers' Home Administration, and Department of Commerce, Economic Development Administration--commiting accelerated consideration of applications and support in project development.
- The aim is to rapidly identify, develop, and support eligible rural initiatives.

Resources--Primarily Federal loan guarantees and direct loans

- Through the Office of Economic Development, Rural Development Loan Fund (RDLF), direct loans (CSA/OED is authorized under Title VII of the Economic Opportunity Act of 1964 as amended, Sec. 701 and Parts A, B, C, and D).
- Through the Economic Development Administration, loan guarantees for up to 90% of the total loan (DOC/EDA is authorized under the Public Works and Economic Development Act, P.L. 89-136, as amended).
- Through the Farmers' Home Administration, loan guarantees through the Business and Industrial Loan Program (USDA/FmHA is authorized under the Consolidation Farm and Rural Development Act, as amended P.L. 92-419, Sec. 310B).
- Business packages may call for loans and guarantees from a combination of the participating agencies.
- No specific limitations--minimum or maximum amounts--have been set.

Eligilbe Sponsors--Rural Title VII CDCs and national initiatives with the capacity and capability to achieve CREDE purposes

Eligible Projects--Flexibility characterizes the position of the participating federal agencies

- The project must be rural.
- It must create jobs, or preserve jobs that would be lost otherwise.

- It should involve the CDC with a substantial private partner.
- The project should be consistent with the investment strategy of the sponsoring CDC.

Timing-- Initiate project efforts as soon as you identify a potential opportunity

- Projects seeking funding involving RDLF funds in FY'80 must submit Form 424 by August 1, 1980.
- CREDE is continuous, since authority of the participants extends beyond this fiscal year.

Appendix C: Pending Legislation

PENDING LEGISLATION

* Because this legislation is still pending, look for new agency regulations after October 1981.

1) CETA Title VII Reauthorization: would reauthorize the Private Sector Initiative Program (PSIP) under title VII of CETA with a new amendment providing that prime sponsors may establish programs to coordinate activities operated under title VII with local economic development programs.

Senate: S.2708; S.Rept. 96-711
House: H.R.6796; H.Rept. 96-985

Senate bill specifically encourages linkages as an option.

House bill goes further by providing incentive bonuses to prime sponsors who do establish linkages. The plan for such programs must be developed jointly with the local economic development council established under the Public Works and Economic Development Act of 1965.

2) Economic Opportunity Amendments of 1979: would establish a program of weatherization for low-income housing under the Community Services Administration with significant new incentives to link materials and administration with CETA participants for labor.

Senate: S.1725; S Rept. 96-434

3) Public Works and Economic Development Act of 1979: would reauthorize and revise the Public Works and Economic Development Act of 1965 providing new language to encourage the linkage of local economic development activities with CETA programs and labor.

Senate: S.914; S.Rept. 96-270
House: H.R.2063

4) Federal Public Transportation Act of 1980: would provide revisions and extensions to existing authorizations for urban mass transportation assistance and grants for local economic development.

Senate: S.2720; S.Rept. 96-737

5) Housing and Community Development Act of 1980: provides new authorizations for the Community Development Block Grants program and the Urban Development Action Grants Program.

Senate: S.2719; S.Rept. 96-736
House: H.R.7262;

6) Youth Act of 1980: provides for youth employment and training programs under title IV of CETA for community improvement projects and neighborhood revitalization, weatherization, neighborhood transportation services, rehabilitation or improvement of public facilities and low-income housing. Also, provides for coordination with local economic development activities, especially those involving the development of employment opportunities in small business.

Senate: S.2385;
House: H.R.6711; H.Rept. 96-1034

Appendix D: Federal Agencies and Authorizing Committees

Federal Agencies and Committees

AGENCY	COMMITTEE
	Senate Zip Code: 20510 House Zip Code: 20515
1) COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA) Department of Labor Employment and Training Administration 601 D Street, N.W. Washington, D.C. 20213 Office of Comprehensive Employment Development; Office of Community Youth Programs; Division of Private Sector Initiative Programs; Office of Youth Programs; Office of Community Youth Programs.	U.S. Senate Committee on Labor and Human Resources U.S. House of Representatives Committee on Education and Labor
2) ECONOMIC OPPORTUNITY ACT (EOA) Community Services Administration Office of Economic Development 1200 19th Street, N.W. Washington, D.C. 20506	U.S. Senate Committee on Labor and Human Resources U.S. House of Representatives Committee on Education and Labor
3) PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT Department of Commerce Economic Development Administration Main Commerce Building Washington, D.C. 20230	U.S. Senate Committee on Environment and Public Works U.S. House of Representatives Committee on Public Works and Transportation
4) U.S.HOUSING ACT; HOUSING AND COMMUNITY DEVELOPMENT ACT Department of Housing and Urban Development Community Planning and Development HUD Building 451 7th Street, S.W. Washington, D.C. 20410	U.S. Senate Committee on Banking, Housing, and Urban Affairs U.S. House of Representatives Committee on Banking, Finance and Urban Affairs
5) SMALL BUSINESS INVESTMENT ACT Small Business Administration 1441 L Street, N.W. Washington, D.C. 20416	U.S. Senate Select Committee on Small Business U.S. House of Representative Committee on Small Business

AGENCY	COMMITTEE
6) URBAN MASS TRANSPORTATION ASSISTANCE ACT Department of Transportation Urban Mass Transportation Administration 400 7th Street, S.W. Washington, D.C. 20590	U.S. Senate Committee on Banking, Housing and Urban Affairs U.S. House of Representatives Committee on Public Works and Transporation
7) CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT Department of Agriculture Farmers Home Administration Room 6900, South Building 14th and Independence Avenue, S.W. Washington, D.C. 20250	U.S. Senate Committee on Agriculture, Nutrition and Forestry U.S. House of Representatives Committee on Agriculture

Appendix E: Illinois Statutes

Volume 2, Chapter 48

1977

judges thereof in any case involving or growing out of a dispute concerning terms or conditions of employment, enjoining or restraining any person or persons, either singly or in concert, from terminating any relation of employment or from ceasing to perform any work or labor, or from peaceably and without threats or intimidation recommending, advising, or persuading others so to do; or from peaceably and without threats or intimidation being upon any public street, or thoroughfare or highway for the purpose of obtaining or communicating information, or to peaceably and without threats or intimidation persuade any person or persons to work or to abstain from working, or to employ or to peaceably and without threats or intimidation cease to employ any party to a labor dispute, or to recommend, advise, or persuade others so to do.

AN ACT in relation to terms, conditions and provisions in contracts of employment. [Filed July 13, 1933. L. 1933, p. 588.]

2b. Agreement concerning membership in labor or employer organizations.] § 1. Every undertaking or promise hereafter made, whether written or oral, express or implied, constituting or contained in any contract or agreement of hiring or employment between any individual, firm, company, association or corporation, and any employee or prospective employe of the same, whereby

(a) Either party to such contract or agreement undertakes or promises not to join, become, or remain a member of any labor organization or of any organization of employers; or

(b) Either party to such contract or agreement undertakes or promises that he will withdraw from an employment relation in the event that he joins, becomes, or remains a member of any labor organization or of any employer organization,

Is hereby declared to be contrary to the public policy of the State of Illinois, wholly void, shall not be enforceable in any court and shall not afford any basis for the granting of legal or equitable relief by any court.

AN ACT to require employers in advertising for employees during a strike or lockout to state in such advertising that such strike or lockout exists. Approved July 16, 1941. L.1941, vol. 1, p. 659.

2c. Advertisements for employees during strikes or lockouts.] § 1. No employer shall advertise seeking to hire employees to replace employees on strike or locked out during any period when a strike or lockout is in progress, which strike or lockout has arisen out of a dispute between the management of the business and persons employed by such management at the time of such dispute who strike or are locked out as the result of failure in settling such dispute, unless it shall be stated in such advertisement that a strike or lockout is in progress at such place of business.

2d. Violations of act.] § 2. Any person violating the provisions of this Act shall be guilty of a petty offense and shall be fined not more than $300 for each such violation. Each day such advertising appears shall be deemed a separate offense.

Amended by P.A. 77-2415, § 1, eff. Jan. 1, 1973.

STRIKEBREAKERS

AN ACT in relation to strikebreakers. A... Sept. 9, 1975 by P.A. 79-859, eff. Oct. ...

2e. § 1. Definitions. For the purpos... Act:

(a) "Lockout" means the action of an e... pursuant to a labor dispute in temporarily ... a place of employment or preventing an ... or employees from engaging in their norma... of employment for the purpose of inducing ... ment of the dispute or influencing the co... of employment to be agreed on.

(b) "Person" means any individual, ... ship, association, firm, corporation, ... group of employees.

(c) "Professional strikebreaker" means a ... son who repeatedly and habitually offers ... for employment on a temporary basis w... lockout or strike exists to take the place of ... ployee whose work has ceased as a direct ... quence of such lockout or strike.

(d) "Strike" means the concerted action ... ployees pursuant to a labor dispute in failing ... port for work, engaging in the stoppage of ... picketing (where the effect of such picketing ... induce any individual not to pick up, deli... transport any goods or not to perform any ... ices), or abstaining from the full and proper ... formance of the duties of employment for the ... pose of inducing settlement of the dispute or ... encing the conditions of employment to be ... on.

2f. Employment of professional strikebr... ers.] § 2. No person shall knowingly employ ... professional strikebreaker in the place of an ... ployee during any period when a lockout or s... is in progress. Nor shall any professional st... breaker take or offer to take the place in em... ment of employees involved in a lockout or s...

2g. Application of Act.] § 3. This Act ... not apply to the employment of any person w... services are necessary to ensure that the plan... other property of the employer involved is ... strike or lockout is properly maintained and ... tected for the resumption at any time of nor... operations.

2h. Violations of Act.] § 4. Whoever viol... any provision of this Act is guilty of a Class ... misdemeanor.

FEMALE EMPLOYMENT

AN ACT to abolish discrimination in the payme... of wages between persons performing equ... work, and to provide a penalty for the violat... thereof. Approved July 22, by L.1943, vol. 1, ... 743, eff. July 1 1944. Title amended by P.A. ... 78-843, § 2, eff. Oct. 1, 1973.

4a. Wage discrimination—Penalty.] § 1. ... employer of 5 or more persons in this St... engaged in the manufacture of any article, ... shall pay any person engaged in such manufactu... an unequal wage for equal work, by time or pi... work, than is being paid to any other person e... ployed in such manufacture, shall be guilty of ... petty offense and shall be fined not less than ...

nor more than $100; provided, however, that nothing herein contained shall prohibit a variation in rates of pay based upon either difference in seniority, experience, training, skill or ability, or difference in duties or services performed (whether regularly or occasionally), or difference in availability for other operations, or any other reasonable classification, excepting difference in sex. Provided, further, that nothing herein contained shall prohibit such variation where the same is authorized by a contract between an employer and a recognized bargaining agent.
Amended by P.A. 77-2416, § 1, eff. Jan. 1, 1973; P.A. 78-843, § 1, eff. Oct. 1, 1973.

4b. Limitation of actions.] § 2. Any action based upon or arising under this Act[1] shall be instituted within six months after the date of the alleged violation.

1 Sections 4a, 4? of this chapter.

AN ACT concerning the hours of employment of females in certain occupations. [Approved June 15, 1909. L.1909, p. 212. Title as amended by act approved July 1, 1937. L.1937, p. 550.]

3 to 8.1 §§ 1 to 6. Repealed by P.A. 80-266, § 1, eff. Oct. 1, 1977.

ONE DAY REST IN SEVEN

An Act to promote the public health and comfort of persons employed by providing for one day of rest in seven. [Approved July 8, 1935. L.1935, p. 839.]

8a. Terms defined.] § 1. The words and phrases mentioned in this section, as used in this Act, and in proceedings pursuant hereto shall, unless the same be inconsistent with the context, be construed as follows:
"Employer" shall mean a person, partnership, joint stock company or corporation, which employs any person to work, labor or exercise skill in connection with the operation of any business, industry, vocation or occupation.
Amended by P.A. 78-917, § 1, eff. July 1, 1974.

8b. Twenty-four consecutive hours of rest every week. § 2. Every employer shall allow every employee except those specified in this Section at least twenty-four consecutive hours of rest in every calendar week in addition to the regular period of rest allowed at the close of each working day.

This Section does not apply to the following:

(1) Part-time employees whose total work hours for one employer during a calendar week do not exceed 20; and

(2) Employees needed in case of breakdown of machinery or equipment or other emergency requiring the immediate services of experienced and competent labor to prevent injury to person, damage to property, or suspension of necessary operation; and

(3) Employees employed in agriculture or coal mining; and

(4) Employees engaged in the occupation of canning and processing perishable agricultural products, if such employees are employed by an employer in such occupation on a seasonal basis and for not more than 20 weeks during any calendar year or 12 month period; and

(5) Employees employed as watchmen or security guards; and

(6) Employees who are employed in a bonafide executive, administrative, or professional capacity or in the capacity of an outside salesman, as defined in Section 12(a)(1) of the Federal Fair Labor Standards Act, as amended,[1] and those employed as supervisors as defined in Section 2(11) of the National Labor Relations Act, as amended.[2]
Amended by P.A. 78-1105, § 1, eff. Aug. 4, 1974; P.A. 78-1297, § 58, eff. March 4, 1975.

1 29 U.S.C.A., § 212(a)(1).
2 29 U.S.C.A., § 152.

8c. Meal periods. § 3. Every employer shall permit its employees who are to work for 7½ continuous hours or longer, except those specified in this Section, at least 20 minutes for a meal period beginning no later than 5 hours after the start of the work period.

This Section does not apply to the following:
(1) Employees for whom meal periods are established through the collective bargaining process.
Amended by P.A. 78-1105, § 1, eff. Aug. 4, 1974; P.A. 78-1297, § 58, eff. March 4, 1975.

8d. Schedule of rest days to be posted—Work on rest day prohibited.] § 4. Before operating on the first day of the week, which is commonly known as Sunday, every employer shall post in a conspicuous place on the premises, a schedule containing a list of his employees who are required or allowed to work on Sunday, and designating the day of rest for each. No employee shall be required or allowed to work on the day of rest so designated for him.

8e. Time book.] § 5. Every employer shall keep a time book showing the names and addresses of all employees and the hours worked by each of them on each day, and such time book shall be open to inspection at all reasonable hours by the Director of Labor.
Amended by P.A. 78-917, § 1, eff. July 1, 1974.

8f. Enforcement of act.] § 6. The Director of Labor shall be charged with the duty of enforcing the provisions of this Act and prosecuting all violations thereof.

8g. Penalty for violation.] § 7. Any employer who violates any of the provisions of this Act, shall be guilty of a petty offense, and shall be fined for each offense in a sum of not less than $25 nor more than $100.
Amended by P.A. 77-2418, § 1, eff. Jan. 1, 1973.

8h. Emergency permits—Rules.] § 8. The Director of Labor shall grant emergency permits to employers authorizing the employment of persons upon proper showing of the necessity for longer working hours due to an emergency situation that cannot be remedied by increasing the number of employees or adjustment of production schedules. Such permits shall not authorize the employment of persons for 7 days a week for more than 2 consecutive weeks nor for more than 8 weeks in any one year.

The Director of Labor may prescribe reasonable rules for carrying out the provisions of this Section.
Amended by P.A. 78-917, § 1, eff. July 1, 1974.

CHILD LABOR LAWS

AN ACT to regulate the employment of children and to repeal an Act herein named. Approved June 30, 1945. L.1945, p. 754.

31.1 Minimum age.] § 1. No minor under 16 years of age, except minors 14 or 15 years of

age who are participating in federally funded work experience career education programs under the direction of the State Board of Education, at any time shall be employed, permitted or suffered to work in any gainful occupation in connection with any theater, concert hall or place of amusement, or any mercantile institution, store, office, hotel, laundry, manufacturing establishment, mill, cannery, factory or workshop, restaurant, lunch rooms, beauty parlors, barber shop, bakeries, coal, brick or lumber yard, or in any type of construction work within this state; However minors between 14 and 16 years of age may be employed, permitted, or suffered to work outside school hours and during school vacations but not in dangerous or hazardous factory work or in any occupation otherwise prohibited by law or by order or regulation made in pursuance of law. No minor under 12 years of age, except members of the farmers own family who live with the farmer at his principal place of residence, at any time shall be employed, permitted or suffered to work in any gainful occupation in connection with agriculture, except that any minor of 10 years of age or more may be permitted to work in a gainful occupation in connection with agriculture during the school vacations or outside of school hours.

Amended by P.A. 79–1133, § 1, eff. July 1, 1976; P.A. 79–1454, § 22, eff. Aug. 31, 1976.

31.2 Exemptions.] § 2. Nothing in this Act applies to the work of a minor engaged in agricultural pursuits except for those persons restricted from working in a gainful occupation in connection with agriculture in Section 1,[1] in the sale and distribution of magazines and newspapers at hours when the schools of the district are in session. Nothing in this Act applies to the employment of a minor outside school hours in and around a home at work usual to the home of the employer so long as that work is not in connection with or a part of the business, trade or profession of the employer.

Nothing in this Act applies to the work of a minor in caddying at a golf course who is 13 or more years of age.

Nothing in Section 9 of this Act[2] applies to a minor, 14 or 15 years of age, during that part of the year from June 1 through September 15, in an occupational, vocational, or educational program funded by the Comprehensive Employment and Training Act.[3]

Amended by P.A. 79–1149, § 1, eff. Dec. 18, 1975; P.A. 79–1454, § 22, eff. Aug. 31, 1976.

[1] Chapter 48, § 31.1.
[2] Chapter 48, § 31.9.
[3] 29 U.S.C.A. § 801 et seq.

31.3 Hours of work.] § 3. No minor under 16 years of age shall be employed, permitted, or suffered to work in any gainful occupation mentioned in Section 1 of this Act[1] for more than 6 consecutive days in any one week, or more than 48 hours in any one week, or more than 8 hours in any one day, or be so employed, permitted or suffered to work between 7 p. m. and 7 a. m. from Labor Day until June 1 or between 9 p. m. and 7 a. m. from June 1 until Labor Day.

The hours of work of minors under the age of 16 years employed outside of school hours shall not exceed 3 a day on days when school is in session, nor shall the combined hours of work outside and in school exceed a total of 8 a day.

Amended by P.A. 79–1150, § 1, eff. July 1, 1976.

[1] Chapter 48, § 31.1.

31.4 Meal period.] § 4. No minor under sixteen (16) years of age shall be employed, or permitted to work in any gainful occupations mentioned in Section 1 of this Act[1] for more than five (5) hours continuously without an interval of at least thirty (30) minutes for meal period, and no period of less than thirty (30) minutes shall be deemed to interrupt a continuous period of work.

[1] Section 31.1 of this chapter.

31.5 Posting of hours.] § 5. Every employer covered by this Act[1] shall post in a conspicuous place where minors under sixteen (16) are employed, or suffered to work, a printed abstract of this Act and a list of the occupations prohibited to such minors, to be furnished by the Department of Labor. Such employers shall post in a conspicuous place where minors under sixteen (16) are employed, or suffered to work a printed notice stating the hours of commencing and stopping work, and the hours when the time or times allowed for dinner or other meals, begin and end. The printed form of such notice shall be furnished by the Department of Labor.

[1] Sections 31.1–31.22 of this chapter.

31.6 Time record.] § 6. It shall be the duty of every employer of minors between the ages of 14 and 16 years employed for or in connection with any gainful occupation mentioned in Section 1[1] to keep a register upon the premises where the work is being done on which register shall be recorded the name, age and place of residence of every minor between the ages of 14 and 16 years. It shall be unlawful for any person, firm or corporation to hire or employ or to permit or suffer to work in or for or in connection with any of the gainful occupations mentioned in Section 1, any minor between the ages of 14 and 16 years unless there is first procured and placed on file on the premises where the work is being done, employment certificates issued as hereinafter provided and accessible to the authorized officers or employees of the Department of Labor, and to the truant officers or other school officials charged with the enforcement of the compulsory education law.

Amended by P.A. 78–607, § 1, eff. Oct. 1, 1973.

[1] Chapter 48, § 31.1.

31.7 Hazardous occupations.] § 7. No minor under the age of 16 years of age shall be employed, permitted or suffered to work:

1. In, about or in connection with any public messenger or delivery service, bowling alley, pool room, billiard room, skating rink, exhibition park or place of amusement, garage, or as a bell-boy in any hotel or rooming house or about or in connection with power-driven machinery;

2. In the oiling, cleaning or wiping of machinery or shafting;

3. In or about any mine or quarry; provided that office and messenger and other non-hazardous employment shall not be prohibited by this Act;

4. In stone cutting or polishing;

5. In or about any hazardous factory work;

6. In or about any plant manufacturing explosives or articles containing explosive components, or in the use or transportation of same; provided that office and messenger and other non-hazardous employment shall not be prohibited by this Act;

7. In or about plants manufacturing iron or steel, ore reduction works, smelters, foundries, forging shops, hot rolling mills or any other place in which the heating, melting, or heat treatment of metals is carried on; provided that office and messenger and other non-hazardous employment shall not be prohibited by this Act;

8. In the operation of machinery used in the cold rolling of heavy metal stock, or in the operation of power-driven punching, shearing, stamping, or metal plate bending machines;

9. In or about sawmills or lath, shingle, or cooperage-stock mills; provided that office and messenger and other non-hazardous employment shall not be prohibited by this Act;

10. In the operation of power-driven woodworking machines, or off-bearing from circular saws;

11. In the operation of freight elevators or hoisting machines and cranes;

12. In spray painting or in occupations involving exposure to lead or its compounds or to dangerous or poisonous dyes or chemicals;

13. In any place or establishment in which intoxicating alcoholic liquors are served or sold for consumption on the premises, or in which such liquors are manufactured or bottled;

14. In oil refineries, gasoline blending plants, or pumping stations on oil transmission lines;

15. In the operation of laundry, dry cleaning, or dyeing machinery;

16. In occupations involving exposure to radioactive substances;

17. In or about any filling station or service station.

Amended by P.A. 79–1150, § 1, eff. July 1, 1976; P.A. 79–1454, § 17[77], eff. Aug. 31, 1976.

31.8 Minors under sixteen appearing in theatrical productions.] § 8. Notwithstanding the provisions of this Act,[1] the City or County Superintendent of Schools, or their duly authorized agents, are authorized to issue an employment certificate for any minor under sixteen (16) years of age, said certificate authorizing and permitting the appearance of such minor in a play or musical comedy with a professional traveling theatrical production on the stage of a duly licensed theatre wherein not more than two performances are given in any one day and not more than eight performances are given in any one week, or nine when a holiday occurs during the week, or in a musical recital or concert: Provided, that such minor is accompanied by his parent or guardian or by a person in whose care the parent or guardian has placed the minor and whose connection with the performance or with the operation of the theatre in which the minor is to appear is limited to the care of such minor or of minors appearing therein: And provided further, that such minor shall not appear on said stage or in a musical recital or concert, attend rehearsals, or be present in connection with such appearance or rehearsals, in the theatre where the play or musical comedy is produced or in the place where the concert or recital is given, for more than a total of six (6) hours in any one day, or on more than six (6) days in any one week, or for more than a total of twenty-four (24) hours in any one week, or after the hour of 11 postmeridian; and provided further, no such minor shall be excused from attending school except as authorized pursuant to Section 26–1 of the School Code.[2] Application for such certificate shall be made by the manager of the theatre, or by the person in the district responsible for the musical recital or concert, and by the parent or guardian of such minor to the City or County Superintendent of Schools or his authorized agent at least fourteen (14) days in advance of such appearance. The City or County Superintendent of Schools or his agent may issue a permit if satisfied that adequate provision has been made for the educational instruction of such minor, for safeguarding his health and for the proper moral supervision of such minor, and that proper rest and dressing room facilities are provided in the theatre for such minor. As amended by act approved June 16, 1953. L.1953, p. 358.

[1] Sections 31.1–31.22 of this chapter.
[2] Chapter 122, § 26—1.

31.9 Employment certificate required.] § 9. Except in occupations specifically exempted by Section 2 [1] and agriculture, no minor under 16 years of age shall be employed, permitted or suffered to work in any gainful occupation unless the person, firm or corporation employing such minor procures and keeps on file an employment certificate.

Amended by P.A. 78–607, § 1, eff. Oct. 1, 1973.

[1] Chapter 48, § 31.2.

31.10 Employment certificates.] § 10. Employment certificates shall permit employment during the school vacation or outside of school hours. The employment certificate shall be signed by the City or County Superintendent of Schools or their duly authorized agents and shall be in such a form as to show on its face the information and evidence required by Section 11 [1] to be filed before the certificate is issued. The certificate shall be issued in triplicate and the person issuing it shall mail the original to the minor's employer, send the duplicate to the State Department of Labor and shall retain the third copy in his files.

[1] Section 31.11 of this chapter.

31.11 Person issuing certificates.] § 11. The employment certificate shall be issued by the City or County Superintendent of Schools or by their duly authorized agents. The person issuing these certificates shall have authority to administer the oaths provided for herein, but no fee shall be charged. It shall be the duty of the school board or local school authority, to designate a place or places where certificates shall be issued and recorded, and physical examinations made without fee, as hereinafter provided, and to establish and maintain the necessary records and clerical services for carrying out the provisions of this Act.[1]

The issuing officer shall notify the principal of the school attended by the minor for whom an employment certificate for out of school work is issued by him.

The principal of the school attended by the minor for whom an employment certificate has been issued may ask for the revocation of the certificate by petition to the Department of Labor in writing, stating the reasons he believes that the employment is interfering with the best physical, intellectual or moral development of the minor. The Department of Labor shall thereupon revoke the employment certificate by notice in writing to the employer of the minor.

[1] Sections 31.1–31.22 of this chapter.

31.12 Requirements for certificates.] § 12. The person authorized to issue employment certificates shall issue them after he is satisfied that the employment will serve the best interest of the minor, and only upon application in person of the minor desiring employment accompanied by the parent, guardian, or custodian of such minor, and only after having examined and approved the following papers:

1. A statement of intention to employ signed by the prospective employer, or by someone duly authorized by him, setting forth the specific nature of the occupation in which he intends to employ such minor and the exact hours of the day and number of hours per day and days per week during which the minor shall be employed.

2. Evidence of age showing that the minor is of the age required by this Act,[1] which evidence shall be documentary, and shall be required in the order designated, as follows:

a. A birth certificate or transcript thereof furnished by the State or County or a signed statement of the recorded date and place of birth issued by a registrar of Vital Statistics, or other officer charged with the duty of recording births, such registration having been completed within ten years after the date of birth;

b. A certificate of baptism, or transcript thereof, duly certified, showing the date of birth and place of baptism of the child;

c. Other documentary proof of age (other than a school record or an affidavit of age) such as a bona fide record of the date and place of the child's birth, kept in the Bible in which the records of births, marriages and deaths in the family of the child are preserved; a certificate of confirmation or other church ceremony at least one year old, showing the age of the child and the date and place of such confirmation or ceremony; or certificate of arrival in the United States, issued by the United States Immigration Officer showing the age of the child; or a life insurance policy at least one year old showing the age of the child;

d. In the case none of the aforesaid proofs of age shall be obtainable, and only in such case, the issuing officer may accept a certificate signed by a physician, who shall be a public health officer or a public school physician, stating that he has examined the child and that in his opinion the child is at least of the age required by this Act.[1] Such certificate shall show the height and weight of the child, the condition of its teeth and any other facts concerning its physical development revealed by such examination and upon which his opinion as to its age is based, and shall be accompanied by a school record of age.

3. A statement on a form approved by the Department of Labor and signed by the principal of the school which the minor attends, or during school holidays when the principal is not available, then by the county superintendent of schools or by a person designated by him for that purpose, showing the minor's name, address, grade last completed, and names of his parents, provided that such statement shall be required only in the case of a minor who is employed on school days outside school hours, or on Saturdays or other school holidays during the school term.

4. A statement of physical fitness signed by a public health or public school physician who has examined the minor, certifying that the minor is physically fit to be employed in all legal occupations or to be employed in such legal occupations under limitations specified. If the statement of physical fitness is limited, the employment certificate issued thereon shall state clearly the limitations upon its use, and shall be valid only when used under the limitations so stated.

In any case where the physician shall deem it advisable he may issue a certificate of physical fitness for a specified period of time, at the expiration of which the person for whom it was issued shall appear and be re-examined before being permitted to continue work.

Such examinations shall be made in accordance with the standards and procedures prescribed by the State Director of the Department of Labor, in consultation with the State Director of the Department of Public Health and the Superintendent of Public Instruction and shall be recorded on a form furnished by the Department of Labor. Such examination when made by public health or public school physicians shall be made without charge to the minor. In case a public health or public school physician is not available a statement from a private physician who has examined the minor may be accepted provided such examination shall be made in accordance with standards and procedures established by the Department of Labor.

If the issuing officer refuses to issue a certificate to a minor said issuing officer shall send to the principal of the school last attended by the minor the name and address of the minor and the reason for the refusal to issue the certificate.

[1] Sections 31.1-31.22 of this chapter.

31.13 Duties of employers.] § 13. Every employer, during the period of employment of a minor under 16 years of age, shall keep on file at the place of employment an employment certificate issued for such minor. Any employer, upon termination of the employment of such minor, shall immediately return the certificate issued to the issuing officer. An employment certificate shall be valid only for the employer for whom issued, and a new certificate shall not be issued for the employment of a minor under 16 years of age except on the presentation of a new statement of intention to employ. The failure of any employer to produce for inspection such employment certificate for each minor in his establishment shall be prima facie evidence that the minor is employed without a certificate.

Amended by P.A. 78-607, § 1, eff. Oct. 1, 1973.

31.14 Age certificate.] § 14. Upon request, the issuing officer shall issue a certificate of age to any person between sixteen (16) and twenty (20) years of age upon presentation of the same proof of age as is required for the issuance of employment certificates under this Act.[1]

[1] Sections 31.1-31.22 of this chapter.

31.15 Certificates as evidence.] § 15. Any certificate duly issued in accordance with this Act[1] shall be prima facie evidence of the age of the minor for whom issued in any proceeding involving the employment of the minor under the Child Labor Law of the State, as to any act occurring subsequent to its issuance, or until revoked.

[1] Sections 31.1-31.22 of this chapter.

31.16. Uniform issuance of employment certificates.] § 16. The Department of Labor shall prescribe rules and regulations for the issuance of cer-

tificates authorized under this Act,[1] in order to promote uniformity and efficiency of issuance. It shall in consultation with the Superintendent of Public Instruction formulate the forms on which certificates shall be issued and also forms needed in connection with such issuance, and it shall supply such forms to the issuing officers. The Department of Labor, its deputies and inspectors, or the issuing officers, may revoke any certificate if in their judgment it was improperly issued or if the minor is illegally employed. If the certificate is so revoked the employer and all interested parties shall be notified of such revocation in writing and such minor shall not thereafter be employed, permitted, or suffered to work until a new certificate for his employment has been obtained.

[1] Sections 31.1–31.22 of this chapter.

31.17 Enforcement.] § 17. It shall be the duty of the Department of Labor to assist in the enforcement of the provisions of this Act [1] by investigating any and all complaints of alleged violations of the provisions thereof, and where in its opinion a violation of the Act has occurred to report said violation to the Attorney General of this State who shall prosecute all such violations reported. It shall be the duty of the authorized officers and employees of the Department of Labor, and they are hereby authorized and empowered, to visit and inspect, at all reasonable times and as often as possible, all places covered by this Act. Truant officers and other school officials authorized by the board of education or school directors shall report violations under this act to the Department of Labor, and may enter any place in which children are, or are believed to be employed and inspect the work certificates on file. Such truant officers or other school officials also are authorized to file complaints against any employer found violating the provisions of this Act in case no complaints for such violations are pending; and when such complaints are filed by truant officers or other school officials the State's attorneys of this state shall appear for the people, and attend to the prosecution of such complaints.

[1] Sections 31.1–31.22 of this chapter.

31.19 Violations.] § 19. Whoever employs or permits or suffers any minor to be employed or to work in violation of this Act, or of any order or ruling issued under the provisions of this Act, or obstructs the Department of Labor, its inspectors or deputies, or any other person authorized to inspect places of employment under this Act, or who fails to comply with the provisions of Sections 5 and 6 of this Act,[1] and whoever having under his control or custody any minor, permits or suffers him to be employed or to work in violation of this Act, shall be guilty of a Class C misdemeanor. Each day during which any violation of this Act continues shall constitute a separate and distinct offense, and the employment of any minor in violation of the Act shall, with respect to each minor so employed, constitute a separate and distinct offense.

Amended by P.A. 77–2419, § 1, eff. Jan. 1, 1973.

[1] Chapter 48, §§ 31.5, 31.6.

31.21 Constitutionality of act.] § 21. If any part of this Act [1] is decided to be unconstitutional and void, such decision shall not affect the validity of the remaining parts of this Act unless the part held void is indispensable to the remaining parts.

[1] Sections 31.1–31.22 of this chapter.

31.22 Short title.] § 22. This Act known and cited as the "Child Labor Law".

STREET TRADES LAW

AN ACT to regulate the employment of minors in sales or other distributive and service occupations. Approved Sept. 9, 1975 by P.A. 79–861, eff. Oct. 1, 1975.

31.31 Short title.] § 1. This Act shall be known and may be cited as "The Illinois Street Trades Law".

31.32 Definitions.] § 2. Unless the context clearly requires otherwise, the terms defined in Sections 2.1 through 2.4 of this Act [1] have the meanings ascribed to them in those Sections.

[1] Chapter 48, §§ 31.32–1 to 31.32–4.

31.32—1. Department.] § 2.1. "Department" means the Department of Labor of the State of Illinois, and "Director" means the Director of that Department.

31.32—2. Employer.] § 2.2. "Employer" means any person, partnership, corporation, association or other entity who or which furnishes a minor articles for sale or distribution or materials for shining shoes, but not a charitable or other not-for-profit organization or a parent or guardian whose child or ward is the only minor employed.

31.32—3. Minor.] § 2.3. "Minor" means any person of such an age that his employment is regulated by a provision of "An Act to regulate the employment of children and to repeal an Act herein named", approved June 30, 1945, as amended.[1]

[1] Chapter 48, § 31.1 et seq.

31.32—4. Street trades.] § 2.4. "Street trades" means the sale, offering for sale, soliciting for, collecting for, displaying or distributing any item of personal property or service, including shoe shining, or the distribution of advertising materials; but does not mean the sale or distribution of periodicals, the taking of orders or collection of moneys for periodicals delivered or to be delivered by the minor himself, or any activity on behalf of any not-for-profit organization of which the minor or a member of his or her immediate family is a member.

31.33 Employment of minors.] § 3. No employer shall employ any minor, nor shall an employer suffer or permit any minor to work, in any street trade unless, within 90 days of the effective date of this Act, he has obtained a certificate from the Department evidencing his registration with the Department.

31.34 Minor's permit from employer.] § 4. No minor shall engage in any street trade unless he or she has been issued a permit by his employer to do so.

31.35 Certificate of registration—Application—Fee.] § 5. Upon the receipt of an application, the forms for which have been obtained from the Department, accompanied by a fee of $50, the Department shall issue a non-transferable certificate

year. An employer is subject to this Act in a calendar year on and after the first day in such calendar year in which he employs one or more persons, and for the following calendar year.

(d) "Employee" includes any individual permitted to work by an employer in an occupation, but does not include any individual permitted to work:

(1) For an employer employing fewer than 4 employees exclusive of the employer's parent, spouse or child or other members of his immediate family;

(2) As an employee employed in agriculture (A) if such employee is employed by an employer who did not, during any calendar quarter during the preceding calendar year, use more than 500 man-days of agricultural labor, (B) if such employee is the parent, spouse or child, or other member of the employer's immediate family, (C) if such employee (i) is employed as a hand harvest laborer and is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) commutes daily from his permanent residence to the farm on which he is so employed, and (iii) has been employed in agriculture less than 13 weeks during the preceding calendar year, (D) if such employee (other than employee described in clause (C) of this subparagraph (i) is 16 years of age or under and is employed as a hand harvest laborer, is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) is employed on the same farm as his parent or person standing in the place of his parent, and (iii) is paid at the same piece rate as employees over 16 are paid on the same farm.

(3) In domestic service in or about a private home;

(4) As an outside salesman; or

(5) As a member of a religious corporation or organization.

The above exclusions from the term "employee" may be further defined by regulations of the Director.

(e) "Occupation" means an industry, trade, business or class of work in which employees are gainfully employed.

(f) "Gratuities" means voluntary monetary contributions by an employee from a guest, patron or customer in connection with services rendered;

(g) "Outside salesman" means an employee regularly engaged in making sales or obtaining orders or contracts for services where a major portion of such duties are performed away from his employer's place of business.

Amended by P.A. 79-1436, § 1, eff. Aug. 22, 1976; P.A. 79-1523, § 1, eff. Jan. 10, 1977.

1004. Establishment of minimum wage—Sex discrimination—Allowance for gratuities.] § 4. (a) Every employer shall pay to each of his employees in every occupation, wages of not less than $1.75 per hour, or in the case of employees under 18 years of age wages of not less than $1.40 per hour, except as provided in Sections 5 and 6 of this Act.[1] On and after January 1, 1975, every employer shall pay to each of his employees in every occupation, wages of not less than $1.90 per hour, or in the case of employees under 18 years of age wages of not less than $1.55 per hour, and on and after July 1, 1976, every employer shall pay to each of his employees in every occupation, wages of not less than $2.20 per hour or in the case of employees under 18 years of age wages of not less than $1.75 per hour, and on and after January 1, 1977, every employer shall pay to each of his employees in every occupation wages of not less than $2.30 per hour or in the case of employees under 18 years of age wages of not less than $1.95 per hour, except that full time students employed in motion picture theaters shall be paid not less than $1.95 per hour and except as provided in Sections 5 and 6 of this Act.

(b) No employer shall discriminate between employees on the basis of sex by paying wages to employees at a rate less than the rate at which he pays wages to employees of the opposite sex for the same or substantially similar work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions, except where such payment is made pursuant to (1) a seniority system; (2) a merit system; (3) a system which measures earnings by quantity or quality of production; or (4) a differential based on any other factor other than sex.

(c) Every employer of an employee engaged in an occupation in which gratuities have customarily and usually constituted and have been recognized as part of the remuneration for hire purposes is entitled to an allowance for gratuities as part of the hourly wage rate provided in Section 4, subsection (a) in an amount not to exceed 50% of the applicable minimum wage rate, provided the employee received in gratuities the amount claimed. The Director shall require each employer desiring an allowance for gratuities to provide substantial evidence that the amount claimed, which may not exceed 50% of the applicable minimum wage rate, was received by the employee in the period for which the claim of exemption is made, and no part thereof was returned to the employer.

Amended by P.A. 79-1436, § 1, eff. Aug. 22, 1976.

[1] Chapter 48, §§ 1005, 1006.

1004a. Overtime compensation.]

Text of section as amended by P.A. 80-492, § 1.

§ 4a. (1) Except as otherwise provided in this Section, no employer shall employ any of his employees for a workweek of more than 40 hours unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed. However, employees in restaurants shall receive compensation of not less than 1½ times the regular rate after 46 hours in a workweek; and employees in motion picture theaters shall receive compensation of not less than 1½ times the regular rate after 45 hours in a workweek; and until May 1, 1977, custodial employees in the hotel and motel industry shall receive compensation of not less than 1½ times the regular rate after 44 hours in a workweek; and until May 1, 1977, employees in food service employment shall receive not less than 1½ times the regular rate after 45 hours in a workweek.

(2) The provisions of subsection (1) of this Section are not applicable to:

A. Any salesman or mechanic primarily engaged in selling or servicing automobiles, trucks or farm implements, if he is employed by a nonmanu-

facturing establishment primarily engaged in the business of selling such vehicles or implements to ultimate purchasers;

B. Any salesman primarily engaged in selling trailers, boats, or aircraft, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling trailers, boats, or aircraft to ultimate purchasers.

C. Any employer of agricultural labor, with respect to such agricultural employment.

D. Any governmental body.

E. Any employee employed in a bona fide executive, administrative or professional capacity, as defined by the Federal Fair Labor Standards Act of 1938, as now or hereafter amended.[1] For bona fide executive, administrative, and professional employees of not-for-profit corporations, the Director may, by regulation, adopt a weekly wage rate standard lower than that provided for executive, administrative, and professional employees covered under the Fair Labor Standards Act of 1938, as now or hereafter amended.

(3) The provisions of subparagraph E of subsection (2) have been effective and were always intended by the General Assembly to be effective as of August 22, 1976. If, prior to the effective date of this subsection (3), any employer shall have paid any claim under this section made by an executive, administrative or professional employee, then that employer may not recover any amount so paid or discharge or discipline any executive, administrative or professional employee for failure or refusal to return any amounts so paid. Added by P.A. 79-1436, § 1, eff. Aug. 22, 1976; P.A. 79-1523, § 1, eff. Jan. 10, 1977; Amended by P.A. 80-492, § 1, eff. Sept. 8, 1977.

[1] 29 U.S.C.A. § 201.

For text of section as amended by P.A. 80-735, see § 1004a, post.

For final legislative action, see notes following § 1004a, post.

1004a. Overtime compensation.]

Text of section as amended by P.A. 80-735, § 1.

§ 4a. (1) Except as otherwise provided in this Section, no employer shall employ any of his employees for a workweek of more than 40 hours unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed. However, employees in restaurants shall receive compensation of not less than 1½ times the regular rate after 40 hours in a workweek; and employees in motion picture theaters shall receive compensation of not less than 1½ times the regular rate after 45 hours in a workweek; and until May 1, 1977, custodial employees in the hotel and motel industry shall receive compensation of not less than 1½ times the regular rate after 44 hours in a workweek; and until May 1, 1977, employees in food service employment shall receive not less than 1½ times the regular rate after 45 hours in a workweek.

(2) The provisions of subsection (1) of this Section are not applicable to:

A. Any salesman or mechanic primarily engaged in selling or servicing automobiles, trucks or farm implements, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling such vehicles or implements to ultimate purchasers;

B. Any salesman primarily engaged in selling trailers, boats, or aircraft, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling trailers, boats, or aircraft to ultimate purchasers.

C. Any employer of agricultural labor, with respect to such agricultural employment.

D. Any governmental body.

E. Any employee employed in a bona fide executive, administrative or professional capacity, as defined by the Federal Fair Labor Standards Act of 1938, as now or hereafter amended.[1] For bona fide executive, administrative, and professional employees of not-for-profit corporations, the Director may, by regulation, adopt a weekly wage rate standard lower than that provided for executive, administrative, and professional employees covered under the Fair Labor Standards Act of 1938, as now or hereafter amended.

F. Any commissioned employee as described in paragraph (1) of Section 7 of the Federal Fair Labor Standards Act of 1938 and rules and regulations promulgated thereunder, as now or hereafter amended.

G. Any employment of an employee in the stead of another employee of the same employer pursuant to a worktime exchange agreement between employees.

(3) The provisions of subparagraph E, F and G of subsection (2) have been effective and were always intended by the General Assembly to be effective as of August 22, 1976. If prior to the effective date of this subsection (3) any employer shall have paid any claim under this section made by an executive, administrative, or professional employee, then that employer may not recover any amount so paid or discharge or discipline any executive, administrative, or professional employee for failure or refusal to return any amount so paid. Added by P.A. 79-1436, § 1, eff. Aug. 22, 1976. Amended by P.A. 79-1523, § 1, eff. Jan. 10, 1977; P.A. 80-735, § 1, eff. Sept. 16, 1977.

[1] 29 U.S.C.A. § 201.

For text of section as amended by P.A. 80-492, § 1, see § 1004a, ante.

Final legislative action, 80th General Assembly:
P.A. 80-492—Sept. 8, 1977
P.A. 80-735—Sept. 16, 1977

See Ill.Rev.Stat. ch. 131, § 4.2 as to the effect of (1) more than one amendment of a section at the same session of the General Assembly or (2) two or more acts relating to the same subject matter enacted by the same General Assembly.

1005. Wages for individuals whose capacity is impaired by age or physical or mental deficiency.] § 5. The Director may provide by regulation for the employment in any occupation of individuals whose earning capacity is impaired by age, or physical or mental deficiency or injury at such wages lower than the minimum wage rate provided in Section 4, subsection (a),[1] as he may find appropriate to prevent curtailment of opportunities for employment, to avoid undue hardship, and to safeguard the minimum wage rate of this Act, except that no person who maintains a production level within the limits required of other employees may be paid at less than the minimum wage. No employee shall be employed at wages fixed pursuant to this Section except under a special license

issued under applicable regulations of the Director.

[1] Chapter 48, § 1004(a).

1006. Wages for learners.] § 6. (a) For any occupation, the Director may provide by regulation for the employment in that occupation of learners at such wages lower than the minimum wage provided in Section 4, subsection (a) [1] as the Director may find appropriate to prevent curtailment of opportunities for employment and to safeguard the minimum wage rate of this Act.

(b) Where the Director has provided by regulation for the employment of learners, such regulations are subject to provisions hereinafter set forth and to such additional terms and conditions as may be established in supplemental regulations applicable to the employment of learners in particular industries.

(c) In any occupation, every employer may pay a subminimum wage to learners during their period of learning. However, under no circumstances, except those provided in Section 4, subsection (a), may an employer pay a learner a wage less than $1.50 per hour.

(d) No person is deemed a learner in any occupation for which he has completed the required training; and in no case may a person be deemed a learner in that occupation after 6 months of such training, except where the Director finds, after investigation, that for the particular occupation a minimum of proficiency cannot be acquired in 6 months.

Amended by P.A. 79–1436, § 1, eff. Aug. 22, 1976.

[1] Chapter 48, § 1004.

1007. Authority of director—Investigations—Statements and reports.] § 7. The Director or his authorized representatives have the authority to:

(a) Investigate and gather data regarding the wages, hours and other conditions and practices of employment in any industry subject to this Act, and may enter and inspect such places and such records (and make such transcriptions thereof) at reasonable times during regular business hours, not including lunch time at a restaurant, question such employees, and investigate such facts, conditions, practices or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this Act, or which may aid in the enforcement of this Act.

(b) Require from any employer full and correct statements and reports in writing, including sworn statements, at such times as the Director may deem necessary, of the wages, hours, names, addresses, and other information pertaining to his employees as he may deem necessary for the enforcement of this Act.

1008. Records — Retention — Contents — Inspection—Sworn statements.] § 8. Every employer subject to any provision of this Act or of any order issued under this Act shall make and keep for a period of not less than 3 years, true and accurate records of the name, address and occupation [illegible] of his employees, the rate of pay, and the of this Act or of the regulations thereunder. Such records shall be open for inspection or transcription by the Director or his authorized representative at any reasonable time as limited by paragraph (a) of Section 7 of this Act.[1] Every employer shall furnish to the Director or his authorized representative on demand a sworn statement of such records and information upon forms prescribed or approved by the Director. Each worker employed at the learner rate must be designated as such on the payroll record kept by the employer, with the learner's occupation shown.

[1] Chapter 48, § 1007(a).

1009. Posting of summary of Act and regulations.] § 9. Every employer subject to any provision of this Act or of any regulations issued under this Act shall keep a summary of this Act approved by the Director, and copies of any applicable regulations issued under this Act or a summary of such regulations, posted in a conspicuous and accessible place in or about the premises wherever any person subject to this Act is employed. Employers shall be furnished copies of such summaries and regulations by the State on request without charge.

1010. Regulations—Handicapped workers—Notice and hearing for adoption—Filing—Stay of enforcement.] § 10. (a) The Director shall make and revise administrative regulations, including definitions of terms, as he deems appropriate to carry out the purposes of this Act, to prevent the circumvention or evasion thereof, and to safeguard the minimum wage established by the Act. Regulations governing employment of learners may be issued only after notice and opportunity for public hearing, as provided in subsection (c) of this Section.

(b) In order to prevent curtailment of opportunities for employment, avoid undue hardship, and safeguard the minimum wage rate under this Act, the Director may also issue regulations providing for the employment of handicapped workers at wages lower than the wage rate applicable under this Act, under permits and for such periods of time as specified therein; and providing for the employment of learners at wages lower than the wage rate applicable under this Act. However, such regulation shall not permit lower wages for the handicapped on any basis that is unrelated to such person's ability resulting from his handicap, and such regulation may be issued only after notice and opportunity for public hearing as provided in subsection (c) of this Section.

(c) Prior to the adoption, amendment or repeal of any rule or regulation by the Director under this Act, except regulations which concern only the internal management of the Department of Labor and do not affect any public right provided by this Act, the Director shall give proper notice to persons in any industry or occupation that may be affected by the proposed rule or regulation, and hold a public hearing on his proposed action at which any such affected person, or his duly authorized representative, may attend and testify or present other evidence for or against such proposed rule or regulation. Rules and regulations adopted un-